Shifting Foundations

Addressing Shelter Needs and Responsibilities in Toronto

The 1982 Annual Report of the
City of Toronto Housing Department

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Summary of Recommendations

Chapter 1

1. That Council adopt the 1983 housing targets contained on Table 1 (on page 8) of this report and forward those targets to the Federal Minister Responsible for the Canada Mortgage and Housing Corporation and to the Ontario Minister of Municipal Affairs and Housing, to signal Council's intentions with regard to housing approvals in 1983.
2. That Council request the Minister of Municipal Affairs and Housing, after he has set municipal non-profit housing allocations, to permit local boards of directors to establish their own priorities for new construction and acquisition/rehabilitation projects according to local circumstances.
3. That Council request the Minister of Municipal Affairs and Housing to provide unilateral provincial funding to subsidize rent-geared-to-income assistance in units sponsored under the Ontario Rental Construction Loan Program, rather than using the cost-shared Rent Supplement Program which would detract from federal social housing unit allocations.

Chapter 3

4. That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to amend regulations pertaining to the revenue generated by non-residential space in non-profit housing projects, so that profits do not have to be used to reduce residential subsidies, but can be used for other purposes, including reimbursement for losses fron non-residential space that may have accrued earlier or that may exist in other projects.
5. That Council request the City Solicitor, in consultation with the Commissioner of Planning and Development and the Commissioner of Buildings and Inspections, to draft amendments to the Zoning By-law to define apartment houses to encompass conversions from structures not originally built as such, and to define stacked townhouse forms, in order to reduce the necessity to seek variances from the Committee of Adjustment.
6. That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to permit social housing developers to secure 100 per cent financing for acquisitions and conversions, without any equity requirement.
7. That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to issue guidelines for the establishment of Maximum Unit Prices (MUPs) so that, in structures containing a mix of hostel and conventional units, separate MUPs can be applied independently to the hostel and apartment components.

Chapter 4

8. That the Cityhome Board of Directors endorse the continued use of current RGI waiting list procedures as a cost-effective means of selecting needy households, and so advise the Ministry of Municipal Affairs and Housing.
9. That Council revise the income target intended to trigger a program review and possible changes in tenant selection procedures to: 50 per cent of all market households below estimated respective City medians for their respective household size groups.
10. That Council advise the Minister Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing that it is concerned that current policies regarding the establishment of low-end-of-market rents in municipal non-profit housing projects prevent those projects from effectively serving the intended client group of low and moderate income households.
11. That Council request the Minister of Municipal Affairs and Housing to provide shallow subsidies for municipal non-profit housing projects to reduce rents to levels affordable to moderate income households, subject to the imposition of appropriate income restrictions.
12. That the Cityhome Board of Directors endorse the use of a market waiting list for new projects in locations commanding higher rents, so that, at initial rent-up, and thereafter as vacancies occur, tenants with the lowest possible incomes may be selected.

Chapter 5

13. That Council urge the Minister Responsible for the Canada Mortgage and Housing Corporation to establish clear, consistent objectives for the municipal non-profit housing program, and that Council advise the Minister in this regard that Council's top priority is to maintain the program as one suitable for the housing needs of low and moderate income families and individuals.
14. That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing to revise the social housing allocation process by

making forward commitments for three years within five year plans.

15. That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing to recognize that municipal non-profit housing corporations are *social* housing agencies, and that the Ministers be urged to support the extension of the program to address broader social needs which can be helped with or through non-profit housing.
16. That Council urge the Provincial Government to adopt a co-ordinating function with regard to provincial financial assistance given to organizations providing personal support services for the disabled, in conjunction with the approval and contractual arrangements for non-profit housing projects intended to accommodate the clients of such organizations.
17. That Council request the Minister of Municipal Affairs and Housing to permit, in a municipal non-profit family housing project, up to 50 per cent of those units reserved exclusively for senior citizens and up to 100 per cent of those units reserved exclusively for the disabled to be administered on a rent-geared-to-income (RGI) basis, without affecting the RGI allocation otherwise available to conventional apartments in the same project.
18. That the Cityhome Board of Directors not consider setting aside any units for agencies providing personal support services for tenants unless the funding or other arrangements for the agency are such that Cityhome's RGI tenant selection procedures will not be adversely affected or unless the Ministry of Municipal Affairs and Housing is prepared to increase the RGI allocation for the units in question.

Introduction

The Housing Department's Annual Report for 1982 concentrates on the activities of the Department as they relate to the furtherance of Toronto City Council's housing policy objectives - primarily, but not exclusively, tied to Cityhome development efforts.

The first two chapters offer the standard review of the marketplace and proposals for specific targets which have always been an essential part of the Department's annual reports. The rest of this report departs somewhat from past practice. The project reviews contained in Chapter 3 go into more detail than usual, to give a better appreciation of the complexities of the planning and development process, to describe the problems associated with trying to get Cityhome projects to respond to various types of needs, and to summarize actions taken in areas outside of the traditional mandate of Cityhome itself.

Chapter 4 describes Cityhome's existing applicants and tenants, then grapples with the problems posed by a tenant composition which has started to change from its low and moderate income focus (people in the first and second income quartiles, according to Council's criteria). Tenants will inevitably display increasing affluence, at least under the terms of the current non-profit programs. The problems raised and the steps suggested to deal with them are, in the first instance, of direct concern to the Cityhome Board of Directors, (and recommendations have been addressed accordingly), but they will increasingly affect other municipalities delivering housing under the program. Accordingly, they should lso be of concern to the senior levels of government.

Chapter 5 seeks ways to help Cityhome meet the needs which have been inadequately addressed by other levels of government. It also highlights the risks and responsibilities which municipalities are being forced to assume.

Finally, the last chapter of this report answers many of the questions that Housing Department staff are asked about the operations of Cityhome itself, bringing the reader up to date on financial and management aspects of the Corporation.

Aside from queries relating directly to Cityhome, staff are most frequently faced with questions about the workings of the non-profit program. Before getting into the body of this 1982 annual report, it is appropriate to summarize these programs in order to improve the reader's understanding of some of the issues that will be discussed.

Program Summary

Prior to 1978, the private and public non-profit and cooperative housing programs were identical in financial structure, differing only in sponsorship and management style. Since 1978, the administration of the municipal non-profit housing program has been delegated to the provincial governments. Control over approvals of private non-profit and cooperative projects has been retained by the Federal Government.

In Ontario, the Federal and Provincial Governments devised a separate program for municipal non-profit housing, in which their financial assistance would be combined. Rents are set on the basis of comparable, non-rent-controlled private accommodation, and are applied to 75 per cent of all units in a family project. The remaining 25 per cent of units are offered to low income tenants on a rent-geared-to-income (RGI) basis. The income derived from both market and RGI tenants, plus sundry revenues such as parking and laundry charges, comprise the project's total revenue. Operating costs are the sum of conventional maintenance and utility expenses plus mortgage repayments, with mortgages secured from private lenders at competitive rates. The difference between total operating costs and revenues is the project's operating deficit.

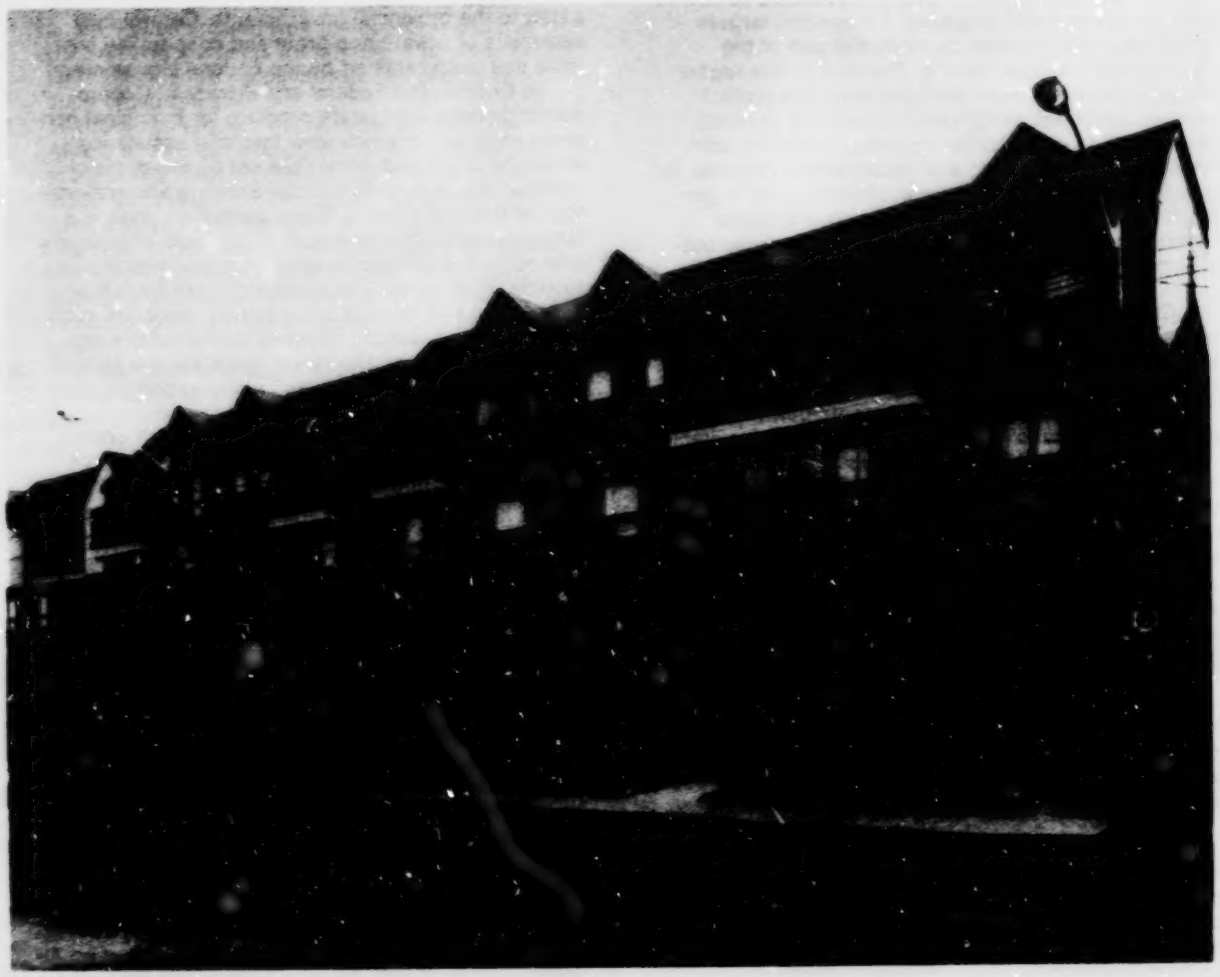
In municipal projects, the deficit is first offset by federal contributions. The ceiling on the federal subsidy is calculated by taking the difference between repayment of capital costs at the actual private mortgage rate and repayment at a two per cent rate of interest. In most projects, the subsidy actually required is less than the federal maximum, so that no provincial assistance is necessary. The Province adds its own subsidy to the extent that the federal ceiling is exceeded, up to the point of matching the federal contribution; from there on the Provincial and the Federal Governments share equally in "override" subsidy assistance. Rents in municipal projects are adjusted annually to reflect comparable private market conditions. The RGI ratio is maintained at 25 per cent and subsidies are changed annually to handle any resulting deficits.

In private non-profit projects, the rents are set the same way as in municipal projects, initially and on an ongoing basis. Costs are also determined the same way, as is the ceiling on the federal subsidy. Without any provision for automatic provincial participation, private non-profit projects must first use the federal subsidy to reduce rents to market levels, and then use whatever federal assistance remains to house as many RGI tenants as possible. Assuming maximum federal subsidies are granted in subsequent years of

operation, the number of RGI tenants and/or the depth of subsidies made available will vary from year to year.

The first year set-up of cooperative projects resembles that of private non-profit projects. Costs, revenues, RGI potential, and subsidies are all determined in the same manner. The differences occur in later years. Rents are adjusted to compensate for increases in operating costs, with no direct tie to market conditions. The federal subsidy is gradually withdrawn from general rent reduction and transferred to RGI tenants.

The municipal, private non-profit, and cooperative programs are federal- created and governed mainly by Section 56.1 of the National Housing Act. As will become clear in reading this report, the 56.1 programs have achieved a great deal, but their future is cloudy. As presently constituted and administered, they are not an adequate response to the housing needs of low and moderate income households.



61 Wales Avenue

1 Targets

Target Review

Assisted Housing

Many of the projects specifically targeted for municipal approval in 1982 failed to make it over all the hurdles, but others that were unanticipated were successful, and formal approvals of a few projects under discussion in previous years (and missed as targets) were obtained in 1982. The net result was an achievement in social housing a lot closer to the overall target of 1,792 new or acquired assisted units than has usually been the case. Even more important, most of the projects planned to obtain municipal approval are still in the works, unlike other years, when targets have been missed because projects have been abandoned altogether.

In reading the achievements data in new construction, it is likely that there will be differences in the figures released by the Planning and Development Department. This is because approvals may have been recorded at different points in time, and because the *City Monitor* series compiles a cumulative tally, which includes retroactive adjustments to projects at various stages. Approvals have been counted on the assisted side which, because of the failure to reach joint development agreements with some social housing agency, have never come to pass. When this failure to proceed is formalized, the loss in assisted units detracts from the other achievements recorded in the same year. The *City Monitor* reports, showing net achievements, should be used to assess overall success in meeting Official Plan targets. The Housing Department's annual reports try to establish reasonable targets for each year, so that Council will have a quantified objective and will also have some idea of what to expect. This brief discussion of achievements is used more to describe actions on specific projects, or policies which are affecting approvals generally.

A total of 539 new Cityhome units were approved in 1982, including Bathurst/Adelaide, which the Planning and Development Department's *City Monitor* reports have counted as a private achievement, and which will ultimately show up as a retroactive adjustment to the assisted total.

Cityhome acquisitions did not fare so well. The 125-unit target included the 430 Broadview and Coxwell Stables projects, neither of which received the approvals they needed to proceed. However, both of these projects were still being processed at year end, and Broadview became the first achievement for Cityhome in the new year. In view of the newly created units involved and related municipal approvals, they will be counted against new construction targets in 1983.

There were no other Cityhome residential acquisitions concluded in 1982, so the achievement was a flat zero. This wasn't for lack of trying, but provincial policy made it impossible to respond to the many excellent offers brought to the Corporation's attention during the year. The provincial position is that the acquisition of "existing vacant or occupied accommodation not requiring at least moderate repair would not be eligible." About the only acquisitions the Province would entertain are vacant buildings in poor condition, apartments threatened with demolition or conversion, and non-residential structures to be converted into apartments (Broadview and Coxwell fit into the last category).

The Province is concerned about the need to increase the supply of rental housing and to avoid adverse affects upon tenants that an acquisition might entail. The argument is legitimate, but perplexing in view of provincial insistence in the early days of the revised non-profit program that every project be subjected to a "best-buy analysis", which would measure the costs of projects against potentially cheaper alternatives, including acquisitions. The provincial position with regard to non-profits flatly contradicts extensive research and program development efforts by the Ministry of Municipal Affairs and Housing dedicated to the promotion of private rehabilitation and conservation. The Province is heralding rehabilitation as the way of the future, but is limiting the participation of the non-profit sector. Indeed, considering the Ministry's enthusiastic attitude in this field generally, it would be timely and appropriate to dedicate provincial funds, on a unilateral basis, so that non-profit corporations could initiate demonstration and innovative conservation projects without drawing on the limited resources available in the non-profit program itself.

The Housing Department generally favours new construction over acquisitions, for reasons which include those stated by the Province. But the fact remains that new construction is not possible in many parts of the City. Acquisitions have proved a useful tool for neighbourhood stabilization (whether or not the properties in question are specifically threatened), and acquisitions can be a lot less expensive, thereby stretching subsidy dollars. The cost advantage was especially noticeable in a depressed real estate market, such as prevailed in 1982, when possible acquisitions offered particularly sound investments in places where social housing would not otherwise be located. Acquisitions should be a permitted activity. Non-profit boards of directors and councils are aware of the advantages and pitfalls associated with acquisition and rehabilitation efforts, and can decide on their

own priorities without external restrictions.

Cooperative and private non-profit groups fared much better under Canada Mortgage and Housing Corporation (CMHC) administration in terms of acquisitions. Available CMHC funding data indicated that 139 units and 94 beds were approved in 1982, which compares well with the 186-unit target adopted by Council. Included in CMHC commitments was a welcome initiative in the funding of 20 beds in group homes for discharged psychiatric patients.

The new construction achievement for cooperative and private non-profit groups also looked good, with 444 units approved, even though four major projects planned for approval were delayed: rezoning of the Copp Clark site was held up, mostly because of environmental concerns, but a break-off of negotiations has removed this project from cooperative plans for the moment; and three projects in Harbourfront had been expected to proceed in 1982, but are now scheduled to go forward in 1983. Indeed, the 500 new Cityhome and cooperative apartments anticipated for Harbourfront are the main reason for below-target achievements in 1982. (A more thorough discussion of progress in Harbourfront is found in the Cityhome project review below.)

Many of the cooperative and private non-profit new construction achievements represented formal ratification in 1982 of approvals anticipated earlier. Approved projects not counted in establishing any earlier targets included the St. Nicholas site which, even though a site plan by-law was put in place in 1982, may not be started for some time, since it depends on the adjacent condominium going ahead.

The new construction target for the Metro Housing Company was only 125 units, but with the rezoning of Yonge-Sherwood still in progress, even that target was not achieved. A proposal call by Metro led to a construction start in 1982 of 22 family non-profit units at 436 Leslie Street. This project had been approved earlier as a private scheme, and represents a gain to the assisted housing sector.

Other 1982 Targets

There is no way to accurately determine the achievement in low income units, or rent-geared-to-income (RGI) units, in new and acquired assisted housing. In municipal non-profit housing, federal and provincial subsidy guarantees ensure that 25 per cent of units will be available for low income households needing RGI assistance. In private non-profit and cooperative housing, which utilize only federal subsidies, there are no such guarantees, and groups seem to be providing 15 per cent RGI units in family projects and 25 per cent in seniors' projects. Federal subsidies can be stretched further for RGI purposes by the provision of more shallow supplements, implying that some residents will be charged more than the standard 25 per cent of income. Alternatively, groups can avoid selecting very many tenants with deep subsidy needs who might drain the available subsidy pool. Some groups are looking at surcharges on their non-RGI units to generate an internal source of funds to aid lower income residents.

Private non-profit and cooperative groups can apply to the Ministry of Municipal Affairs and Housing for separate subsidies, under the Ontario Community Housing Assistance Program (OCHAP), to bring their RGI ratios up to 25 per cent in family projects and 50 per cent in seniors' projects. The red tape involved has discouraged groups. Moreover, OCHAP is handled through short-term, renewable contracts, so that there is no assurance of an ongoing commitment to house low income households, as in the federal program.

By the end of 1982, only six projects had been approved for OCHAP assistance in the City, and only two of those were new projects approved by the City itself in 1982. Because OCHAP applications or approvals occur late in the development of a project, or when a project is actually under management, there is no way to predict how Council's approval of assisted housing will translate into low income units. The Cityhome and Metro Housing projects which received municipal approval in 1982 will themselves add 139 low income units, but it will be some time before additions through the third sector can be verified.

Achievements in private production and family housing will be reported in *City Monitor*. An approximate count of the assisted family units has been provided. Strict application of the Official Plan definition of family housing has resulted in a retroactive reduction in achievements to date. Most apartment buildings, for instance, contain no units which meet definitional requirements for family units, although Cityhome and the cooperatives are exemplary in this regard, with their efforts to provide direct access to the ground. Since the bulk of Cityhome units approved in 1982 were in apartment structures, only 73, or 14 per cent of the total 539-unit achievement, were technically defined as family units.

There are 38 wheelchair-accessible units in assisted housing projects approved by Council in 1982. Counting its own 1982 approvals, Cityhome has a total of 123 such units in its portfolio. The number of accessible units in private housing is unknown, but unless there are specific requirements for a per centage of units for the disabled under terms of federal or provincial assistance (and no funding commitments under programs containing this requirement were made in 1982), then private builders tend not to include them.

Housing Department negotiations for one major site acquisition, included in the 2.5 hectare land banking target, were not completed, although discussions continue. With two sites purchased using the City Land Banking Account - 139 Stephenson and Jones/Curzon - the total achievement of just under one hectare was low relative to the formal target, but compares well with purchases in the past couple of years.

The Buildings and Inspections Department advises that 201 homes received Council approval for rehabilitation loans from the Residential Rehabilitation

Assistance Program (RRAP) and the Ontario Home Renewal Program (OHRP). This exceeds the 150-unit target. More aggressive promotion of the program was underway in 1982, with explanatory materials provided in public displays and inspectors encouraging homeowners to take advantage of assistance to rectify property infractions. Terms of both programs became more attractive through 1982 and, with adequate funding, rehabilitation activities should continue to increase.

Harbourfront and South Riverdale, designated Housing Priority Areas for 1982, received a lot of attention. Harbourfront commanded considerable time at both the political and staff levels. Negotiations are now complete and physical design work on five specific assisted housing projects for Bathurst Quay is now well underway.

Residential prospects across South Riverdale were considered, and sites are being discussed in detail with the Planning and Development Department. The environmental problems associated with the industrial character of much of this area discourage the development of smaller sites in favour of large scale land assembly and redevelopment, where designs and the actual elimination of offending uses can create suitable living conditions.

Targets for 1983

Table 1 sets out proposed housing targets for 1983. Those targets relating to new construction entail the first significant municipal approval (rezoning, development review, building permit). The timing of municipal approvals differs from that of funding commitments, so that these targets will not precisely match applications for CMHC or provincial approval. For instance, the Cityhome new construction target calls for municipal approval of 1,095 units. This is less than the 1,144 units for which Cityhome has been planning to secure funding commitments, since one project in the latter category has already received municipal approval.

The Cityhome projects making up the 1,095-unit target are described in Chapter 3. In view of the provincial position with respect to acquisitions, as discussed above, no Cityhome target has been included.

The new construction target for private non-profit and cooperative groups consists of:

- 250 units in three projects at Harbourfront, which should go through development review in 1982;
- Wychcrest Fellowship, with 238 units and 83 beds in a nursing home/seniors' residence also scheduled for development review, as discussed later in the review of the Frankel/Lambert Neighbourhood;
- Oak Street - 147 units needing a rezoning;
- Villa Luso - 155 units for seniors on Dundas Street West, looking for a rezoning in 1983, but probably not able to get a CMHC commitment until 1984;
- Park Lane - 88 units to meet assisted housing requirements, with zoning approved, but a development agreement necessary;
- St. Andrews, a 200-unit seniors' project on Carlton Street in for rezoning, but unlikely to receive a CMHC commitment until 1984;and
- smaller projects including the Parkdale, Woodtree, DACHI, and Toronto Woman's Cooperative groups.

Not included in the formal target, which covers "units" only, is the construction of a 77-bed facility at Jarvis and Shuter by Fred Victor Mission. This project should receive required variances to begin construction in 1983.

The third sector acquisition target is dominated by the proposed purchase of 114 units at Eglinton and Vesta. Not formally included in the target, but hopefully proceeding, are acquisitions involving 16 beds.

The Metro Housing Company target again includes the Yonge/Sherwood project, with its rezoning not yet obtained, as well as Dundas/Ossington (126 units) and Trefann Court - 44 units which had been counted as a formal approval earlier, but subsequently recorded as a negative achievement when application for further approval was withdrawn. Development review and construction for Metro's Trefann Court project are now planned for 1983.

The low income proportion of new and acquired social housing has been set at 25 per cent of family projects and 50 per cent of seniors' projects (excluding Metro Housing Company's seniors' units, which are all administered on a rent-geared-to-income basis). The achievement of this low income target will require all private groups to apply for, and to receive, provincial OCHAP assistance; the target will thus be a signal that Council will be looking for cooperation in this regard.

The private target has been left at 2,000 units, since the private sector is well on track to meeting the ten-year objectives of the Official Plan. Council can expect a large share of private approvals to be for condominiums. The Official Plan does not call for a breakdown of the target by tenure, and, since condominium draft plans are registered routinely in most new private projects, the ultimate form of tenure cannot be determined ahead of time.

The family target recognizes the substantial volume of seniors' housing scheduled for approval in 1983 and assumes that the balance of approvals will involve a similar proportion to past achievements of units suitable for families with children.

The handicapped-housing target (ie. wheelchair-accessible units) has been increased to 65 units, which should be attainable considering the specially designed accommodation being incorporated into some Cityhome and seniors' projects. Federal and provincial guidelines now call for two to five per cent of suites in each project to be modified for the handicapped.

Landbanking targets are always tenuous, and this year's more than most. Council has approved the use of Landbanking funds to acquire land which, because of the original cost, or costs accruing through a long holding period, would be marginally too expensive to

TABLE 1
Targets Required Under Official Plan Amendments for Housing as Adopted for 1982 and Proposed for 1983

Targets	Adopted 1982	Achieved 1982	Proposed 1983
New Assisted Units			
City Non-Profit	846	539	1,095
Private Non-Profit	530	444	1,151
Metro Housing Company	127	22	295
Total	1,501	1,005	2,54[illegible]
Acquisition of Assisted Units			
City Non-Profit	125	0	0
Private Non-Profit	166	139	144
Total	291	139	144
Low Income Allocation in New and Acquired City and Private Non-Profit Units	417	n/a	753
Private Market Units	2,000	n/a	2,000
Housing for Families with Children			
Assisted	413	202	346
Market	500	n/a	420
Total	913	n/a	766
Housing for Handicapped	50	n/a	65
Land Banking - Hectares	2.5	1.0	1.2
Rehabilitation Assistance OHRP/RRAP*	150	201	250
Housing Priority Areas	Harbour-front South River-dale	Harbour-front South River-dale	Harbour-front East Bay-front

* - Ontario Home Renewal Program and Market Sector Residential Rehabilitation Assistance Program, Loans approved by Council

n/a - not available

Notes: Targets for new units are based on first major municipal approval (rezoning, development review or building permit). As described in text, municipal approval targets do not match targets for federal/provincial commitments. The private target encompasses both rental and ownership projects. Acquisition targets are based on federal or provincial funding approval. The landbanking target relates to purchase of sites using accounts set aside for that purpose. Family and handicapped targets are included in, not additional to, the overall assisted and private targets. See text regarding achievements. Figures will differ from those recorded in *City Monitor*, which will provide additional data on private achievements not available for this report.

Source:
City of Toronto
Housing Department,
1983

develop within the price limits of the non-profit program. The Department estimates that it would take about three million dollars to acquire the 1.2 hectare target, plus another half-million dollars for associated planning costs. This latter would be incurred should the City put up the front end expenses for arrangements undertaken with the Toronto Harbour Commission, and would be recovered over the course of development. At the beginning of 1982, the Department was investigating about a dozen sites, ranging from less than a tenth to just over one hectare. Depending on densities permitted on the sites actually purchased, achievement of the landbanking target would yield about 300 units. For targets to be reached, landbanking acquisitions have to be supplemented by density bonus and turnkey agreements.

Considering the growing success of the federal and provincial rehabilitation assistance programs in the City, the big increase in the target is an indicator of Council's optimism that these programs will be well used by private owners.

Harbourfront should continue to be designated a Housing Priority Area. The establishment of services and other infrastructure, and the construction start on the first assisted housing in the area, will consume a lot of staff time from many departments. Monitoring of progress in planning for the rest of Harbourfront will be ongoing in 1983, and care must be taken to ensure overall assisted housing targets are met. The cut in federal support for the non-profit program, as discussed in the next section, may delay the actual construction of Cityhome and cooperative projects scheduled late in the year for Bathurst Quay.

A second Housing Priority Area proposed for 1983 is the East Bayfront, whose provincial and Harbour Commission properties offer some significant opportunities for a variety of residential developments. The prospective disposition of some of these properties makes this the right time to seriously study the potential of the area. City Council has instructed the Commissioner of Housing to discuss the potential for assisted housing development with the Harbour Commission. Any progress must await decisions on the capital budget and various legal matters. Specific Cityhome proposals will develop in planning deliberations covering the entire waterfront area, which are presently underway as a result of publication, by the Planning and Development Department, of the "Central Waterfront Proposals Document."

Allocations and Priorities

The targets above are, as indicated, a reflection of municipal approval requirements. As such, they will not correspond exactly with applications for funding approval, which may occur at different stages during project development. But Council's consent for a project to proceed, as complicated and controversial as that consent may be to obtain, is irrelevant if funding authorizations are not forthcoming from other governments. For the first time in its history, Cityhome has been impeded by available allocations - the number of units of social housing which the Federal and Provincial Governments say will be eligible to receive mortgage commitment in any given year. Other non-profit groups are similarly constrained, and the prospect of delayed funding commitment could well lead to slower progress in applications for municipal approval.

In response to provincial requests, Housing Department staff pulled out all stops in bringing projects forward for 1982 commitment, only to be informed in December that approval of some 172 units was postponed until 1983 and that projects so deferred would be the only ones committed in 1983. Cityhome was informed, by the Provincal Ministry, that there would be no allocations available for new projects. Regardless of the allocations eventually approved (and adjustments later in the year are possible), there are serious deficiencies in the number of units allocated, the timing of announcements, and the way in which allocations are determined.

At the end of 1982, preliminary 1983 allocations were set at 22,500 units nationally - 2,500 less than the traditional 25,000 units assigned at the beginning of previous years. The reduction was to pay back increases granted over the course of preceding years - increases ostensibly borrowed from the future. This is a strange way to administer a social program, which should be geared to needs. By no stretch of the imagination have shelter needs diminished in 1983.

Ontario was tentatively allocated 6,688 units in 1983, down from 7,400 in 1982. Just prior to printing, a formal announcement was made, allocating 425 units to Cityhome - a welcome boost from the preliminary figure of 172, but still far short of needs and capacity.

The Ontario Ministry of Municipal Affairs and Housing (MMAH) has been delegated authority over the municipal non-profit and the private rent supplement programs, while the Canada Mortgage and Housing Corporation (CMHC) retains control over the cooperative, private non-profit and various native people's housing programs. The Ontario allocation is divided between the two approval bodies. In 1982, the MMAH share was 2,818 units, and 1,300 more units were lined up and ready to go at the end of the year. The proposed MMAH share for 1983 was 2,160 units - a sharp drop in both absolute and relative terms. The 1983 allocation tentatively set aside by MMAH for municipal non-profits fell to 1,657 units, less than Toronto and Ottawa alone were prepared to develop.

The Provincial Government was apparently not very successful in its negotiations for 4,800 units. For its part, the Province reportedly reduced the initial non-profit allocation in favour of rent supplement units in private projects sponsored under its Ontario Rental Construction Loan Program (ORCLP), and also reduced the preliminary allocation available to larger municipalities in favour of smaller centres. The latter was predictable, in view of the promotional efforts undertaken by the Province to sell the non-profit program among small municipalities, even though information is that these centres would really prefer conventional, provincially initiated public housing, with all

units handled on an RGI basis. But substantial shifts to smaller municipalities cannot be justified on the basis of need. The Provincial and Federal Governments have gone to great expense to develop a computerized, needs-based, "fair share" model which distributes available allocations across the Province. Results from that model show a larger percentage of the need for social housing in Toronto than initially proposed allocations would imply.

The use of allocations in projects sponsored by ORCLP is illogical, but has some obvious attractions. Private projects utilizing ORCLP assistance were required to offer 20 per cent of units to local public housing authorities for rent supplement. Authorities have already turned down many projects because of their unsuitability or high costs. Local councils, sometimes counting on these projects as their only vehicle for getting low income housing, have been upset. Obviously ORCLP does not come across as a very successful program unless it delivers some rent-geared-to-income units. Unfortunately, little thought was given to the financing of those RGI units. As discussed in the next chapter, ORCLP was a total failure in Toronto, so that any shift in social housing allocations to ORCLP represents less housing of any description for Toronto. The final allocation set aside for private rent supplement purposes was 239 units (most of which were to be used to cover commitments made in 1982) - still high, but a step in the right direction.

Putting rent supplement money into ORCLP projects is going to be expensive for the Province. The ORCL program itself poured $90 million into the private sector, far more than the one million dollars the Province is budgeting for new social housing projects. The rents in ORCLP projects are also going to be high, so that rent supplements, shared equally by the Federal and Provincial Governments, will cost the Province dearly. In contrast, the Province contributes to municipal non-profit projects only to the extent that federal subsidies prove inadequate. For instance, Cityhome has estimated budgets for eight new projects, with 750 units, that will be in operation for all of 1983. Four of those projects will cost the Province nothing. On average, the total cost to the taxpayer works out to $393 per unit per month, including direct RGI assistance, and of that the Province will pay only $57. The Province is doing quite well by piggybacking on a federal program that is very generous to Ontario municipalities.

What is most disturbing about any potential shift of social housing allocations from non-profit agencies to privately financed projects is that not one stick of new housing will result. All ORCLP projects have long been committed and most are, in fact, complete or nearly so. The rent supplement program involves short term leases, so that allocations directed this way will yield only short term assistance in existing housing. Allocations directed to the non-profit sector create a new, permanent supply of assisted housing, coupled with guaranteed, long-term help for those most in need. The use of social housing allocations for any private rent supplements, when there are alternative vehicles for the delivery of real assisted housing, represents a misuse of resources at the present time.

Complaints are frequently voiced about the social housing programs which, in the scheme of things, receive fairly modest funding. Thus, we see $90 million in ORCLP, $75 million in the Ontario Renter-Buy Program, and $322 million in the Canada Rental Supply Program (with $82.6 million reserved for Ontario and $31 million already committed by CMHC's Toronto Branch). The final word isn't in on the Canada Homeownership Stimulation Plan; but by September, 1982 there were 141,000 applications which would take up over $400 million. The Assisted Home Ownership Program and the Assisted Rental Program, which expired in 1978, took another $46 million in ongoing subsidies for the private sector in 1982, while various energy conservation programs for existing housing took $176 million. All told, the Federal Government spent $587 million through CMHC on direct cash subsidies for private housing in 1982. Federal subsidies to both new and existing non-profit and cooperative projects totalled $192.3 million in the same year.

The simple fact is that there is no comprehensive housing policy strategy, at either the federal or the provincial level, which ensures that taxpayer dollars are spent efficiently, that program development and modification is orderly and not ad hoc, and that those most in need receive the most attention. Given the questionable distribution of federal and provincial subsidies in recent years, and the occasionally stated indication from both governments that the needy should be served first, it is clearly time to re-examine housing strategies in general to ensure that adequate funding is provided to agencies helping the families and individuals most in need.

As noted, once total allocations are set, they are distributed according to a computerized model which calculates relative affordability problems among all urban areas. Although there are some defects in the statistical methodology employed in this fair share model, there are few alternatives, at least until 1981 Census results are available. One would expect actual commitments throughout the year to differ somewhat from fair shares calculated at the beginning of the year, since production capabilities and readiness will vary among municipalities. But an abandonment of the fair share approach before allocations are even finalized, as proposed for 1983, makes one wonder why the officials involved continue the pretense of a model at all.

An advantage of a rational model for dividing allocations is the predictability which can potentially be introduced into project planning. As things stand, Cityhome and other producers are placed in an impossible situation. Cityhome's plans have never been restricted by allocations; indeed the problem has been quite the opposite: frustrations and delays in negotiations and approvals have always made it very difficult to use up available allocations. Considering the time it takes to acquire a site, arrange for appro-

priate studies, prepare preliminary designs, and secure necessary approvals, it can easily take two or three years to bring a project up to the mortgage commitment stage. Major development opportunities, such as St. Lawrence and Frankel/Lambert in the past and perhaps the Harbour Commission lands in the future, typically involve construction phasing over at least ten years, due to lengthy approvals, the sheer volume of work involved, and the marketing and community advantages of building a neighbourhood gradually. For these reasons, Cityhome and other agencies that do not rely entirely upon proposal calls, must have long planning horizons.

The Cityhome Board of Directors and City Council routinely consider (and approve work and money for) projects which will not commence construction for a few years. Ministry staff are advised as soon as projects can be seriously entertained. Ministry staff attend Board meetings where a monthly summary of all projects under construction and in planning is tabled. In short, the Ministry is fully cognizant of Cityhome plans and the preparations which have gone into all projects in various stages of development.

In September, 1982, as an aid to the Ministry's negotiations with CMHC regarding allocations, the Housing Department provided a breakdown of all projects according to scheduled commitment dates. That list noted 750 units in 1982, 987 in 1983, and 1,139 in 1984, and further noted the shuffling that might occur because of faster or slower processing of municipal approvals.

The announcement that Cityhome would receive a 1983 allocation of 425 units was accompanied by a warning that these projects must be ready to go by August 1, 1983, or risk being lost in a mid-year transfer of allocations to other municipalities. Considering that the announcement of the allocations was issued in March, that doesn't leave much time, and most Cityhome projects have in fact been scheduled to move into the commitment/construction stage later in the year. The delays in being notified of allocations and the great gap between the eventual allocation and Cityhome's specific plans have introduced a real obstacle to the development process. The prospect of an arbitrary cut-off in the middle of the year compounds the exasperation and uncertainty.

As Chapter 3 discusses, there could be a heavy financial burden on the City as a consequence of a cutback in allocations. Most of the 1,100-plus units slated for 1983 or early 1984 construction starts have been planned for a couple of years, many with cash outlays for land, site investigation, architectural fees and so on. Delays almost inevitably drive up the price of the end product and will force renegotiation of contracts. No developer can operate in such an uncertain environment. No non-profit developer can accept such a high degree of risk. The Federal and Provincial Governments simply must devise a better way to formulate and announce allocations so that producers will be able to plan effectively over a reasonable period of time that reflects a realistic development schedule.

Recommendations

That Council adopt the 1983 housing targets contained on Table 1 (on page 8) of this report and forward those targets to the Federal Minister Responsible for the Canada Mortgage and Housing Corporation and to the Ontario Minister of Municipal Affairs and Housing, to signal Council's intentions with regard to housing approvals in 1983.

That Council request the Minister of Municipal Affairs and Housing, after he has set municipal non-profit housing allocations, to permit local boards of directors to establish their own priorities for new construction and acquisition/rehabilitation projects according to local circumstances.

That Council request the Minister of Municipal Affairs and Housing to provide unilateral provincial funding to subsidize rent-geared-to-income assistance in units sponsored under the Ontario Rental Construction Loan Program, rather than using the cost-shared Rent Supplement Program which would detract from federal social housing unit allocations.

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2 The Market

The year 1982 was a disaster for the housing market, with the City of Toronto among the areas adversely affected. The reliance of the private residential construction industry upon government aid was evident, as was its sensitivity to volatile interest rates. Production was off and rent increases reached new heights, so that the prospects for improved affordability in rental housing are bleak. A depressed economy and a rebound effect from excessive speculation combined to restrain the price of ownership housing. Government incentives and declining interest rates made home purhases easier toward the end of the year, thereby easing some of the pressure on the rental market, but vacancy rates stayed dismally low in Toronto. The bottom line for most Toronto residents is that it became still more difficult to find accommodation at a manageable cost.

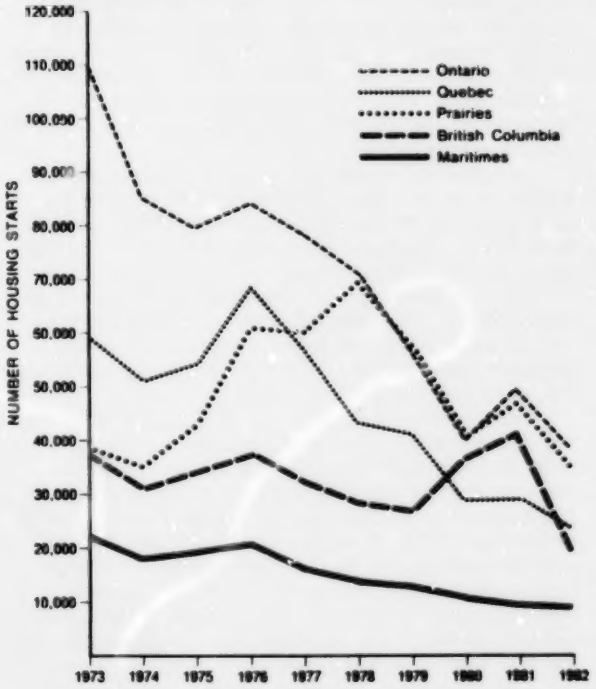
Production

Uncertainty was a major contributor to the slowed pace of residential construction nation-wide in 1982: fluctuating interest rates complicated long term financial decisions; the steadily growing number of lay-offs made consumers uncertain about their ability to handle housing costs and builders consequently unsure about their marketing. Housing starts fell sharply in all major regions (Figure 1). Three-quarters of the way into the year, starts were down 36 per cent nation-wide. A modest recovery was experienced in the last quarter, as the effects of various incentive programs and lower interest rates took hold, but a 29 per cent fall to 125,860 units over the whole year produced the worst record in more than 20 years.

Of all the provinces, only Prince Edward Island and Saskatchewan achieved more starts in 1982 than the year before. In spite of a 23 per cent drop in Ontario starts, this province retained its position atop the regional standings.

Tax subsidies through the Multiple Unit Residential Building (MURB) program were extended in modified form and so will generate construction into 1983, but the effects of the program's curtailment in December, 1981 were pronounced in the types of housing which were built in 1982. Apartments, the prime target for MURB investors, represented 59 per cent of all starts in the first quarter of 1982. By the third quarter, however, apartment starts were down to 36 per cent of the total as MURB activity subsided. With the heavy early year production, apartments took up 46 per cent of all starts through September, more than single detached housing for the first time ever — although this ranking was altered slightly with year end data (apartments totalling 42 per cent of starts, just below the 43 per cent for singles - Figure 2). At other times, this might be a happy signal that land is being used more intensively and that greater effort is being devoted to the creation of more affordable units, but with the data recording an absolute reduction across all forms of housing, optimism is not warranted.

FIGURE 1
Distribution of Housing Starts in Canada (1973 - 1982)



Source: CMHC, Canadian Housing Statistics Monthly Supplement

If affordability problems were not alleviated through a shift to cheaper forms of housing, there was some promise in the growing role of social housing, which is aimed directly at low and moderate income households. Underlining the inability of private developers to cope without substantial subsidies, housing started without any National Housing Act financing fell by almost 56,000 units in 1982, while non-profit and cooperative groups started 7,300 units more than before, and remarkably tripled their share of national production to almost 13 per cent of all starts.

Looking at starts data from across the Province, losses in the Toronto area were about average (Table 2). The outstanding performer was Ottawa, which seemed insulated from the economic buffeting experienced in most municipalities. Cities reliant upon large industries suffered greatly, with new housing in Windsor virtually non-existent.

On the strength of an actual increase in apartment units, Metropolitan Toronto itself did relatively well in 1982 (Table 3). But, as anticipated in *Building Challenges*, MURBs - or rather their absence - cut City production in 1981. While the Provincial Government's Ontario Rental Construction Loan Program encouraged apartment construction elsewhere in the area, it had no impact whatsoever within the City. Considering the dominance of apartments in the residential composition of the City, the absence of an effective replacement for the MURB program may have serious consequences.

The national increase in both the number and proportion of social housing starts was observed at the local level also. In the Toronto Census Metropolitan Area (CMA), which covers most of the commutershed, social housing starts totalled 111 per cent more than in 1981, with their share of total starts tripling to 28 per cent (Table 4). The proportion of non-NHA financed starts was at the lowest level since 1978, when the Assisted Home Ownership Program and the Assisted Rental Program were in full bloom.

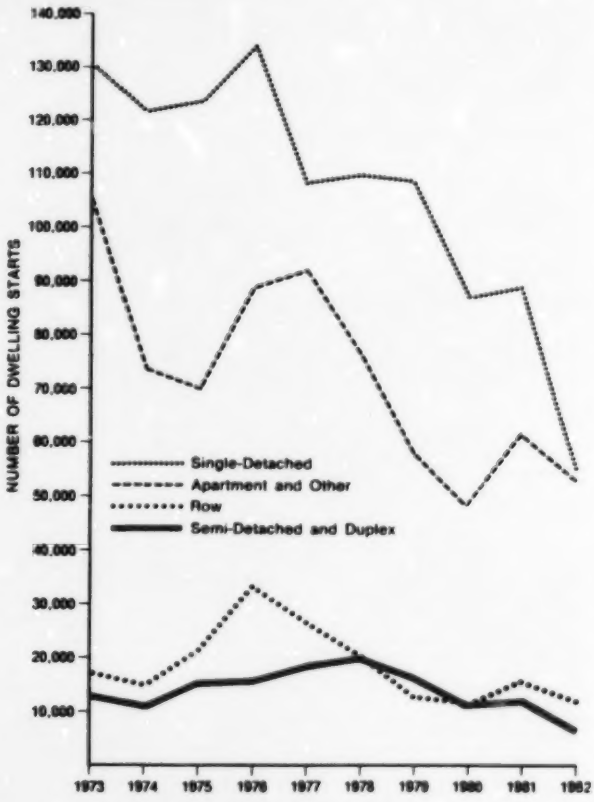
The trend to more social housing was evident, but not as pronounced, in the City and Metro proper, reflecting in part the historic strength of non-profit and cooperative developers in this immediate area. As a consequence of drastically diminished condominium production, social housing came to represent 76 per cent of starts and 54 per cent of completions in the City, 62 per cent of starts and 55 per cent of completions in Metro (Table 5). Cityhome itself started 29 per cent of the City's apartments, and 62 per cent of the City's family rental apartments.

The minor resurgence of private rental construction is welcome, after witnessing only 17 apartments started in this sector in 1981 in the City. However, the bulk of private rental units being built in 1982 were conversions from condominiums which took advantage of the MURB program. Unsubsidized rental development was generally avoided, and there are no signs that this will change in the near future.

Prices

While there was some moderation of price increases in ownership housing, many parts of Toronto seemed immune from the wide-spread economic malaise and the City continued to pull away from the rest of the region. The costs of ownership housing continued to outpace rental costs, but the rate of increase in the former was sharply lower than in 1981, whereas rent increases accelerated: market forces seem to be pushing toward a balance. Rent increases also revealed a trend to reduced affordability in the City compared with neighbouring municipalities.

FIGURE 2
Type of Dwelling Starts in Canada (1973 - 1982)



Source: CMHC, Canadian Housing Statistics Monthly Supplement

Statistics Canada calculated an annual increase in the costs of rented accommodation in the Toronto region of 8.0 per cent. This was a little less than the escalation in ownership costs (8.7 per cent) and less than the Canada-wide rent increase of 9.8 per cent - probably reflecting the large number of rent-controlled units in this area - but there was a sharp jump from the 6.5 per cent increase in rental costs calculated in 1981.

Results of the annual rent survey conducted by the Ontario Ministry of Municipal Affairs and Housing in 1982 were not available at time of writing. But the Ministry's October, 1981 survey, showing an average 8.9 per cent increase in rents for non-movers in Metro (up from 5.8 per cent in 1980), signalled the beginning of a much more rapid rise in rents than previously observed.

Information provided by the Planning and Development Department, collected for *City Monitor*, shows a substantial increase in the price of new rental accommodation in the City (Table 6). While the 183 units ready for occupancy in 1982 were more than four

TABLE 2
Distribution of Housing Starts in Ontario, 1979 - 1982

Metropolitan Area (CMA)	1979 # of Units	1979 % of all Ont.	1980 # of Units	1980 % of all Ont.	1981 # of Units	1981 % of all Ont.	1982 # of Units	1982 % of all Ont.
Larger Centres								
Toronto	21,379	37	20,204	50	26,133	52	19,064	49
Ottawa	4,342	8	2,983	7	3,711	7	4,907	13
Hamilton	1,885	3	1,824	5	1,907	4	1,584	4
Sub-Total	27,606	48	25,011	62	31,751	63	25,555	66
Medium Centres								
Kitchener/ Waterloo	2,129	4	1,593	4	2,111	4	1,507	4
London	2,828	5	2,206	5	1,770	4	824	2
Windsor	2,714	5	2,319	6	618	1	47	0
Niagara	1,165	2	1,128	3	705	1	1,007	3
Thunder Bay	677	1	670	2	434	1	217	1
Sudbury	659	1	332	1	300	1	223	1
Oshawa	1,119	2	765	2	1,331	3	680	2
Sub-Total	11,291	20	9,013	23	7,269	15	4,505	12
Total Metro	38,897	68	34,024	85	39,020	78	30,060	78
Other Urban	8,862	16	1,428	3	6,379	13	5,114	13
Total Urban	47,759	84	35,452	88	45,399	91	35,174	91
Rest of Ontario	9,128	16	4,675	12	4,762	9	3,334	9
Total Ontario	56,887	100	40,127	100	50,161	100	38,508	100

Note: Figures may not add correctly within groups because of rounding error.

Source: CMHC, Ontario Housing Market Report

times the number ready in 1981, this volume is still far below the average of 957 units per year from 1977 to 1981. With the exception of the relatively few one bedroom units, rents increased dramatically over the previous year's tally. New private rental housing in 1982 was not available in sufficient quantity in the City, nor at sufficiently low prices, to make the slightest dent in tenants' affordability problems.

Canada Mortgage and Housing Corporation has begun to separate data from its surveys into buildings which are governed by Rent Review and those which are not. The results show higher rents and larger rent increases in non-controlled units (Table 7). They also show that rents and rent increases in both controlled and non-controlled categories are generally higher in the City than in the rest of the region.

It should not be surprising to see average rent increases so much in excess of Rent Review guidelines. The Residential Tenancy Commission reviewed more than three times as many units in 1981/82 as in 1980/81. Provincially, the average increase granted was almost 15 per cent. In the City, the average increase granted was over 13 per cent, and Rent Review hearings in the City covered over 11,000 units - a substantial proportion of the controlled stock. With these sorts of increases going through Rent Review, when non-controlled and illegal rent increases are also taken into consideration, an acceleration in rent costs was to be expected.

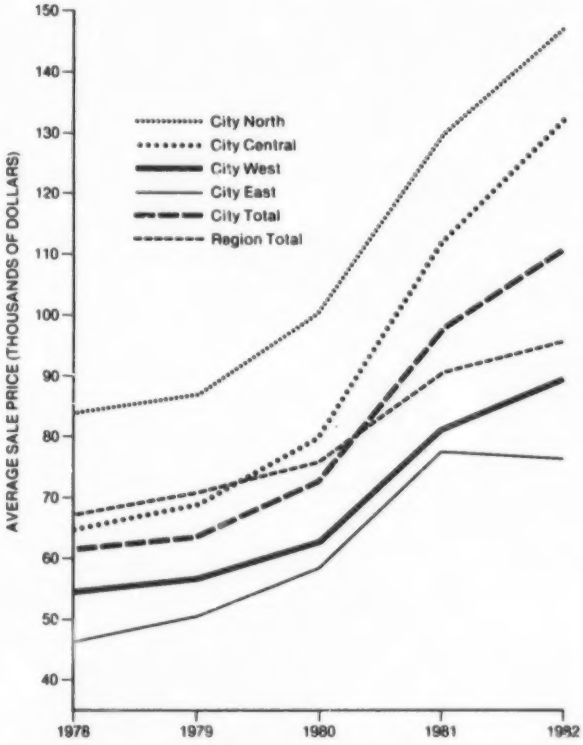
All evidence indicates that, while inflation is slowing, rent increases are accelerating, particularly in the City of Toronto. For the first time in recent

years, rent increases are matching and exceeding the general increase in the cost of living. This may be welcome news to landlords and developers, but it is certainly a concern for many tenants whose own incomes cannot now cope with rents demanded of them. The sale of Cadillac-Fairview's large apartments holdings and the prospect of other massive sales is especially alarming. Tenants in private buildings will likely see bigger rent increases or reduced maintenance standards, or both, as the very structure of the residential rental market changes, with the traditonal developer/owners giving way to investment companies and specialized property management firms.

Resale prices offered mixed relief to those looking for affordable ownership housing in the City in 1982. The traditional pattern continued: the north end of the City was the priciest, followed by the central, west and east sections respectively (Figure 3). The east end, which had been strengthening its position relative to the rest of the City, lost ground as resale prices actually declined by over 1 per cent. The west end saw a price increase of about 10 per cent, the central area 13 per cent and the north end experienced an increase of 18 per cent. The steepest declines in the entire region were in the most expensive areas, including Rosedale and the downtown core east of Yonge Street. The biggest increases were found in other expensive areas, including the Annex and Forest Hill.

In general, the City again outpaced the surrounding region in its resale price escalation. In 1981, a City-wide increase of 34 per cent, compared with 19 per cent across the region, generated an average City resale (from MLS listings) of over $97,000 - above the regional average for the first time. The City pulled still further ahead in 1982, with its 14 per cent average increase well above the region's 6 per cent. However, the volume of resales was off more in the City (20%) than in the region as a whole (15%). Thus, while the fall in mortgage interest rates extended ownership opportunities to more middle income households, the situation for aspiring owners in the City of Toronto is the same as that in the rental market: they would have a better chance elsewhere.

FIGURE 3
Average Annual Residential Sale Prices in Various Areas of Toronto (1978 - 1982)



Source: Compiled from Toronto Real Estate Board, MLS Statistics

Vacancies and Waiting Lists

Vacancy rates saw a modest improvement in 1982 in the City and area (Table 8). The increases were indeed minimal, returning to the levels of the latter half of 1980 - still much lower than normal or than required for market forces to perform acceptably. Improvements were mostly attributable to recent completions of rental buildings, at a higher volume than in 1982, which eased pressures on the existing stock. However, high vacancy rates in these new buildings point to affordability problems. CMHC notes resistance to rents above $1,000 in downtown Toronto, and Housing Department research confirms prolonged rent-up periods, reduced rents and other consumer incentives in expensive new developments.

Vacancy rates also have benefitted from reduced demand as economic circumstances discouraged attempts to improve individual housing situations, and as home buyer programs attracted people into the ownership market. These forces will continue to ease pressures in the rental market for some time, and federal and provincial production incentives will soon contribute to rental supply and a further amelioration. The effects of ownership incentives will be shortlived (unless the programs are extended) as new home inventories are bought up.

Considering the reasons for higher vacancy rates, there is not much to be grateful for. If the economy were in better straits, much of the demand pressure would still be there. The various government programs aimed at the promotion of home ownership are expensive in terms of their effects on the rental market, shifting forward decisions that would have been made regardless. The construction incentives will lead to a permanent improvement in the operations of the rental market, but their direct impact on affordability is negligible, considering, for example, that rents go up to $1,000 in units sponsored by the

Canada Rental Supply Plan. More important from Toronto's perspective is that these programs are just not working in the City. Consequently, any increase in area vacancy rates because of these programs will signify a departure of City residents. With the number of housing starts off so dramatically in 1982, there will be a lag of several months before supply subsidies actually take effect.

Within the City, there was some minor shuffling of vacancy patterns in 1982. The north end at 0.2 per cent in October, 1982, continued to hold the dubious honour of the lowest vacancy rate, while the west part of the City, at 1.1 per cent, occupied a familiar role atop the standings.

There were some significant shifts in vacancies among unit types. Bachelor apartments until very recently had the highest vacancy rate, a reflection of an oversupply of such units through much of the 1970's. As this oversupply situation became evident, greater emphasis was placed on the construction of larger units. As a result, vacancy rates in bachelor apartments lately have been below those for three bedroom and larger units, in both the City and Metro. October saw a return to a more traditional pattern. In the City, rates broke down as follows: bachelors - 1.2 per cent, one bedroom - 0.4 per cent, two bedrooms - 0.5 per cent, three or more bedrooms - 1.0 per cent.

Waiting lists in the City confirm increased difficulties in finding affordable accommodation. Cityhome's own list for rent-geared-to-income (RGI) applicants, which is considered in detail in a later chapter, saw major reductions throughout the year as large new projects were completed and as hundreds of applicants previously on the list were removed because of failure to meet various eligibility criteria. In spite of this, the Cityhome waiting list at the end of the year stood at 4,198 households (9,890 people), about five per cent above where it stood at the end of 1981. Cityhome received 1,569 applications in 1982. The Corporation's 1,600 existing RGI units, with turnover in the order of 5 to 7 per cent annually, cannot hope to cope with this level of need. Families now wait about three years for a two bedroom unit and it is a common occurrence for those contacting Cityhome for the first time, upon being informed of the wait, to simply give up and not bother to apply.

The Metropolitan Toronto Housing Authority (MTHA - manager of the local provincially-owned public housing portfolio) saw its own waiting list grow steadily throughout 1982. Starting from 4,758 households at the end of 1981, the MTHA list climbed 33 per cent to 6,324 by the end of 1982. The actual number of new applications was fairly steady, at just over 1,650 in each quarter. But turnover in existing units fell and fewer people on the waiting list dropped off because they had found alternate housing. Just less than 2,000 households - almost a third of the MTHA list - were seeking a unit within the City proper. Based on a count in May, 1982, of the overlap between Cityhome and MTHA waiting lists, a reasonable estimate would place the combined list at over 5,800 households in need of RGI assistance.

Perhaps the most striking trends in the waiting lists of Cityhome and MTHA, as well as those of the Metro Toronto Housing Company and the Peel Region Non-Profit Housing Corporation, concern existing tenants. New applications are increasing in volume marginally, but frustration effectively inhibits any dramatic influx. All these agencies report low turnover in RGI units, the return of previous tenants who tried to make a go of it in private housing but could not, and, in the non-profit portfolios, an increase in the number of market tenants who now require RGI assistance and generally receive some priority to this end. The net result for these social housing agencies is a reduced capability to respond to the needs which exist outside their own portfolios.

Production Incentives and Realities

The failure of federal and provincial incentives for the construction of private rental housing has been cited above in general terms as contributing to prolonged affordability problems in Toronto. A more precise examination of the impact of various programs will be instructive in seeing why rental housing is not being built in Toronto and what it would take to achieve some results.

The Multiple Unit Residential Building (MURB) provisions of the Income Tax Act, alone and in conjuction with other subsidies over the past few years, have generated more rental housing than any other assistance. Investors in MURB registered projects could write off a lot of the development costs in the first two years of operation. Depreciation allowances exceeded any realistic standards for property. And losses could be declared against income from all sources, not just real estate income. These concessions amounted to very substantial subsidies. But the MURB program terminated at the end of 1981.

The bulk of private rental buildings under construction in the City (290 units of 356 total private rental units being built in November, 1982) are to receive MURB benefits. But all these units started out as condominiums; their development as rental housing is more a symptom of the collapsed condominium market than of the attractiveness of MURB-financed rental investments.

The Ontario Rental Construction Loan Program (ORCLP) was described in *Building Challenges*. The big advantage of this program was its potential for integration with MURB tax subsidies. Together, the two programs offered the equivalent of approximately a $30,000 grant. Still, the long term benefits would be difficult for an investor to compute and actual cash flows were not attractive in high cost areas. ORCLP itself represented only a marginally effective incremental subsidy in such areas. Hence, although the program was fully subscribed, with 16,000 units committed across Ontario, the Province's largest city got only 10 units, and even those were started prior to application for ORCLP assistance.

The Canada Rental Supply Plan (CRSP) was designed as a replacement for MURB. In its original

incarnation, CRSP offered a $7,500 per unit interest free loan. In the June, 1982 budget, the Federal Government indicated a willingness to exceed the $7,500 limit where warranted (and approvals in Metro offer from $11,200 to $16,000 to developers). Perhaps this message still has not penetrated, as take-up is not up to expectations. Nevertheless, the program is both explicit and flexible - a good combination. It is the only program with real promise for Toronto, if promoted more aggressively. To date, one project with 476 units and another with 20 units have been approved under CRSP for Toronto, although at time of writing the larger project's actual construction was uncertain. Moreover its continued inclusion in the City's rental stock is questionable, since a Draft Plan of Condominium is being proposed (a fairly automatic procedure now, to forestall restrictions on future condominium conversion). A CRSP-subsidized building need only repay CRSP loans to permit condominium sales. The ease of conversions under CRSP reveals a disturbing absence of a serious commitment to the production of rental housing and the amelioration of availability and affordability problems in this part of the private market.

The CRSP proposal call attracted interest representing some 5,000 units in the Metro area. Most have not proceeded to serious application. Some that have, like the one project in the City, may not be built because of other financial considerations. Others, like a proposed 500-unit project in North York, which was counting on $16,000 per unit from CRSP, have run afoul of planning obstacles. A serious defect of the program is its timing. Early in 1982, it suffered by comparision with MURBs, for which many projects had routinely received registrations. Later in the year, there was little time to schedule approvals quickly enough to meet CRSP deadlines.

As potentially generous as CRSP is, its success in Toronto has not been great. The fundamental problem is that it costs too much to build here and remain competitive. As the Ontario Minister of Municipal Affairs and Housing pointed out to the Provincial Legislature: "...when one starts talking about the downtown core area of Toronto in trying to get medium and lower priced units available to the marketplace. It will not happen unless there are subsidies a great deal heavier than either the Federal Government under the Canada Rental Supply program or our ORCL program can afford. Members have been told that to get rental units into the marketplace in downtown Toronto under the CRSP program will take $20,000 or $25,000 interest-free mortgage money..." The Economic Council of Canada echoed this concern at a more general level: "...there is no way to avoid the fundamental reality that substantial rent increases will be required to bring rental supply into balance with rental demand."

The recent fall in interest rates has dramatically improved the feasibility of rental production, perhaps enough to encourage some luxury construction or even more reasonably priced units with relatively small subsidies. Take, for instance, a two bedroom apartment in a high rise building, which is probably the most common type of unit built in Toronto. Throughout 1982, CMHC said that a modestly designed two bedroom apartment should cost no more than $64,000, including land, construction and all other capital expenses. With a substantial 25 per cent equity put up by the builder, and with operating costs estimated from national survey data, rents would break down as follows:

Costs/Rents	19% Mortgage Rate	14% Mortgage Rate
Capital Cost	$64,000.00	$64,000.00
Mortgage	$48,000.00	$48,000.00
Equity	$16,000.00	$16,000.00
Monthly Mortgage Repayment	$ 739.48	$ 563.47
Monthly Operating Costs	$ 157.00	$ 157.00
Zero Profit Rent	$ 896.48	$ 720.47
Rent with 10% Return on Equity	$ 1,029.81	$ 853.80

We see first that the drop in mortgage interest rates over 1982 cut $176 from the rent for a "modest" unit - or about 17 per cent from a rent incorporating a reasonable profit. At over $1,000 a month, this unit would face insurmountable marketing obstacles. Such a unit, without luxury appointments, would command $700 to $750 in the heart of Toronto, about $200 less in locations farther from the core. Of course, it would be very difficult to find downtown land cheap enough to hold capital costs below the modest price ceiling; Cityhome has been able to do so primarily due to negotiated concessions from private developers.

At the high interest rates prevailing at the beginning of 1982, subsidies required to bring rents down to competitive levels went up to $500 per unit per month. This was beyond the reach of available assistance programs and certainly exceeds the losses which a builder might be prepared to accept in the short term. At the lower rates charged at the close of 1982, subsidy needs varied from $100 to $350, depending on location. This would have been available from the ORCL and MURB programs now expired, and is within the reach of CRSP. The lower end of this deficit range may in fact be acceptable, if a builder were confident of some real profits after three or so years. The programs which were ineffective in Toronto the last couple of years would now be capable of attracting some serious interest.

Of course, having the financial resources necessary to undertake rental construction doesn't ensure success. Rents of $500 or even $750 will be competitive at the top end of the no-frills market, but that

top end is limited in size. If a 30 per cent rent-to-income ratio is assumed, incomes from $20,000 to $30,000 would be required. Only about 35 per cent of the City's tenants make more than $30,000, and most of those are presumably quite content with their present accommodation.

The astute developer will, therefore, be wary of getting into rental housing, especially if he expects other builders to jump on the bandwagon and saturate a small segment of the market. It is in this context that CMHC is concerned about the timing of CRSP approvals, to avoid overbuilding and vacancy losses. Extreme caution is still the order of the day. Those who build at all will gravitate toward luxury production (which will not substantially diminish their potential clientele but will improve marketability among the few who can afford their product at all), unless assistance is available with strings attached that will tip decisions in favour of more affordable housing.

TABLE 3
Dwelling Starts in the City of Toronto and Metropolitan Toronto, 1982

Month	Single Det. City	Single Det. Metro	Apartment City	Apartment Metro	Other City	Other Metro	Total City	Total Metro
January	3	13	0	0	48	74	51	87
February	0	38	48	286	2	89	50	413
March	3	93	358	1,201	15	40	376	1,334
April	1	216	298	499	22	97	321	812
May	7	136	4	723	4	67	15	926
June	2	113	44	149	4	110	50	372
July	7	92	150	150	6	16	163	258
August	0	54	198	1,200	14	67	212	1,321
September	3	163	0	140	8	24	11	327
October	5	308	23	302	11	54	39	664
November	8	429	322	573	48	292	378	1,294
December	0	342	289	289	0	18	289	649
Total	39	1,977	1,734	5,512	182	948	1,955	8,457
% Change from 1981	-37	-27	+3	+33	-65	-57	-14	-6

Source: CMHC, Local Housing Market Report - Toronto

TABLE 4
Number of Starts by Lending Source
Toronto CMA, 1979 - 1982

	1979	1980	1981	1982
N.H.A. Low Income Total (1)	2,037	2,430	2,519	5,324
N.H.A. Private Rental (2)	2,924	2,087	890	713
N.H.A. Private Ownership (3)	112	0	0	0
N.H.A. Total (4)	7,293	7,173	4,004	7,764
Non-N.H.A.	14,086	13,031	22,129	11,300
% Non-N.H.A.	65.9	64.5	84.7	59.3
Total	21,379	20,204	26,133	19,064

Note: (1) Includes all activity under old and new Non-Profit, Co-op and Public Housing Programs

(2) Incudes expired Assisted Rental Program (Section 14.1) and more recent Graduated Payment Mortgage program (Section 6)

(3) Includes expired Assisted Home Ownership Program (Section 34.16) and new GPM program (Section 6)

(4) Includes standard N.H.A. loan insurance

Source: CMHC, Ontario Housing Market Report

TABLE 5
Apartment Production in the City of Toronto and Metropolitan Toronto, by Type of Developer, 1982

	City		Metro	
	Starts	Completions	Starts	Completions
Private Rental	304	153	1,364	593
Condominium	116	939	668	1,542
Metro Housing Co.	186	—	849	125
Cityhome	504	670	504	670
Co-op/Private Non-Profit	624	600	2,127	1,823
Total	1,734	2,362	5,512	4,753

Source: CMHC, Toronto Branch Office

TABLE 6
New Dwelling Units Entering the Private Rental Market in the City of Toronto, 1982

Unit Type	Units		Rents		
	Number	% Change from 1981	Range $	Average $	% Change from 1981
One Bedroom	23	+ 28	400 - 900	600	- 27
Two Bedroom	128	+ 1,064	595 - 1,500	1,073	+ 112
Three Bedroom	32	+ 191	650 - 1,100	750	+ 29
Four Bedroom	0	- 100	—	—	—
Total	183	+ 346			

Source: City of Toronto Planning and Development Department, Research and Information

TABLE 7
Average Rents and Rent Increases in the City of Toronto, 1982

	Type of Unit				
	Bachelor	One	Two	Three	Four+
Average Rent, Rent Controlled Buildings	$303	$361	$463	$615	$789
Average Rent Increase, Rent Controlled Buildings	11.1%	10.3%	14.5%*	29.9%*	52.5%*
Average Rent, Non-Controlled Buildings	$396	$522	$679	$778	—
Average Rent Increase, Non-Controlled Buildings	9.4%	11.4%*	33.4%*	55.8%*	—

Note: *In April of 1982 data collection changes were made to record rents in finer ranges between $500 and $749. Thus percentage changes will be distorted upwards in areas with rents previously (in October 1981) recorded as "above $500".

Source: CMHC, October 1982 Rent and Vacancy Survey

TABLE 8
Toronto Vacancy Rates, 1979-82

Date	City of Toronto			Metro Toronto	Toronto CMA
	Private Units 6-18 mths. old (%)	Private Units more than 18 months old (%)	Private Units more than 6 months old (%)	Private Units more than 6 months old (%)	Public and Private Units more than 6 months old (%)
April 1979	14.0	1.0	1.3	1.2	1.1
October 1979	7.7	0.8	0.9	1.1	1.0
April 1980	8.0	1.0	1.1	1.0	1.1
October 1980	0.0	0.4	0.4	0.5	0.6
April 1981	0.3	0.4	0.4	0.3	0.5
October 1981	0.7	0.4	0.4	0.3	0.3
April 1982	10.3	0.4	0.5	0.3	0.4
October 1982	17.2	0.6	0.6	0.5	0.6

Source: CMHC, Rental Apartment Vacancy Surveys

139 S'ephenson Avenue

3 Projects in 1982

Cityhome's most significant development opportunities in the past have been connected with the major land assemblies for the St. Lawrence and Frankel/Lambert Neighbourhoods, which combined contain about 30 per cent of the portfolio. As we shall see in this chapter, there was a lot of activity in these neighbourhoods in 1982, but Cityhome's direct role in them is winding down. Happily, work has been initiated on more than enough sites elsewhere to take up the slack. The most serious impediment to the successful creation of assisted housing is neither site availability nor cost - problems which have constrained Cityhome in recent years. As outlined in Chapter 1, the corporation needs only the allocations to proceed.

With allocations forthcoming, there is a lot Cityhome can accomplish in the next couple of years - not just in terms of delivering units, but in responding to special needs, and in overcoming challenges limiting the fulfilment of Council's housing policy objectives. A project-by-project examination of progress on various sites illustrates the problems and possibilities arising from individual attempts to meet Cityhome's mandate.

St. Lawrence Neighbourhood

In 1982, Cityhome completed its largest (and, to date, St. Lawrence's largest) projects in this new neighbourhood (Figure 4). With 281 units, 15 Scadding Avenue was ready for occupancy in April. Staff were overwhelmed by the crowd of prospective residents who showed up before the opening of the project rental office. Normally a slow time of year for renting, all suites were reserved within three weeks - a sign of the scarcity of non-luxury rental accommodation near the downtown area. Rents averaged $316 for a bachelor apartment, $380 for a one bedroom unit, $504 for a two bedroom unit, and $613 for three bedrooms - each including utilities.

A specially designed day-care centre and associated playground have been incorporated into 15 Scadding Avenue. A park developed in the shelter of the apartment and townhouse structures has been leased by Cityhome to the City and is being maintained by the City Parks and Recreation Department. This represents a good deal for both parties: the City benefits from having a public park with no capital acquisition costs, and Cityhome avoids maintenance expenses for part of its site. Also in 1982, a sound buffer wall was constructed beside the daycare centre and a harmoniously designed transformer vault enclosure was completed, itself elevated to act as a sound barrier.

The development of the day care centre at 15 Scadding yielded some valuable lessons. There were early difficulties in marketing the 60 spaces, 50 of which are directly subsidized for lower income families, and experience suggests that new day care centres with small proportions of subsidized spaces would encounter more severe obstacles. Of great concern to Cityhome in view of the pressure from many sources to incorporate centres into new projects, is the tremendous cost involved. Because these facilities cannot be funded through the non-profit program, and because at 15 Scadding the design and construction of the project had to be extensively modified after construction had already started, City Council has provided grants amounting to about $340,000 to compensate Cityhome for related capital costs. Even at that, the $1,200 rent charged by Cityhome to the cooperative running the centre (which is modest compared with residential rates) far exceeds the agency's capabilities or Metro's standard of about $500 per month, necessitating further City operating subsidies. The magnitude of these costs and subsidies should caution those who advocate more facilities of this sort, and highlight the need for more generous federal and provincial assistance.

Opened in June, 1982, 176 The Esplanade gave Cityhome 303 more units in St. Lawrence. June brings better marketing conditions, and so the project was largely rented out in one week, even though some units were not finished and ready for viewing. Rents here averaged $322 for a bachelor apartment, $376 for a one bedroom apartment, $484 for a two bedroom apartment and $590 for a three bedroom apartment - each including utilities. Each of the 22 three bedroom townhouses rents for $602, with tenants responsible for their own heating charges.

About 20,000 square feet of commercial space, part of which is being used for the neighbourhood's public library, have been included in 176 The Esplanade. However, a prolonged recession does not make for ideal commercial leasing conditions. Marketing has been slow, in spite of what would normally be considered reasonable rents. Under terms of the current non-profit program, non-residential space must pay for itself through a private mortgage at non-subsidized interest rates and with no adverse impact upon financial arrangements for the residential component, although early losses are often part of doing business in the private sector. There is no provision for such losses in non-profit funding. Any profits are to be used immediately to offset residential subsidies. In the case of 176 The Esplanade, losses will have to be borne directly by Cityhome.

This project highlights the danger of any inclusion of commercial space in Cityhome projects, and may discourage such commitments in future. This is unfortunate because Cityhome's mixed used develop-

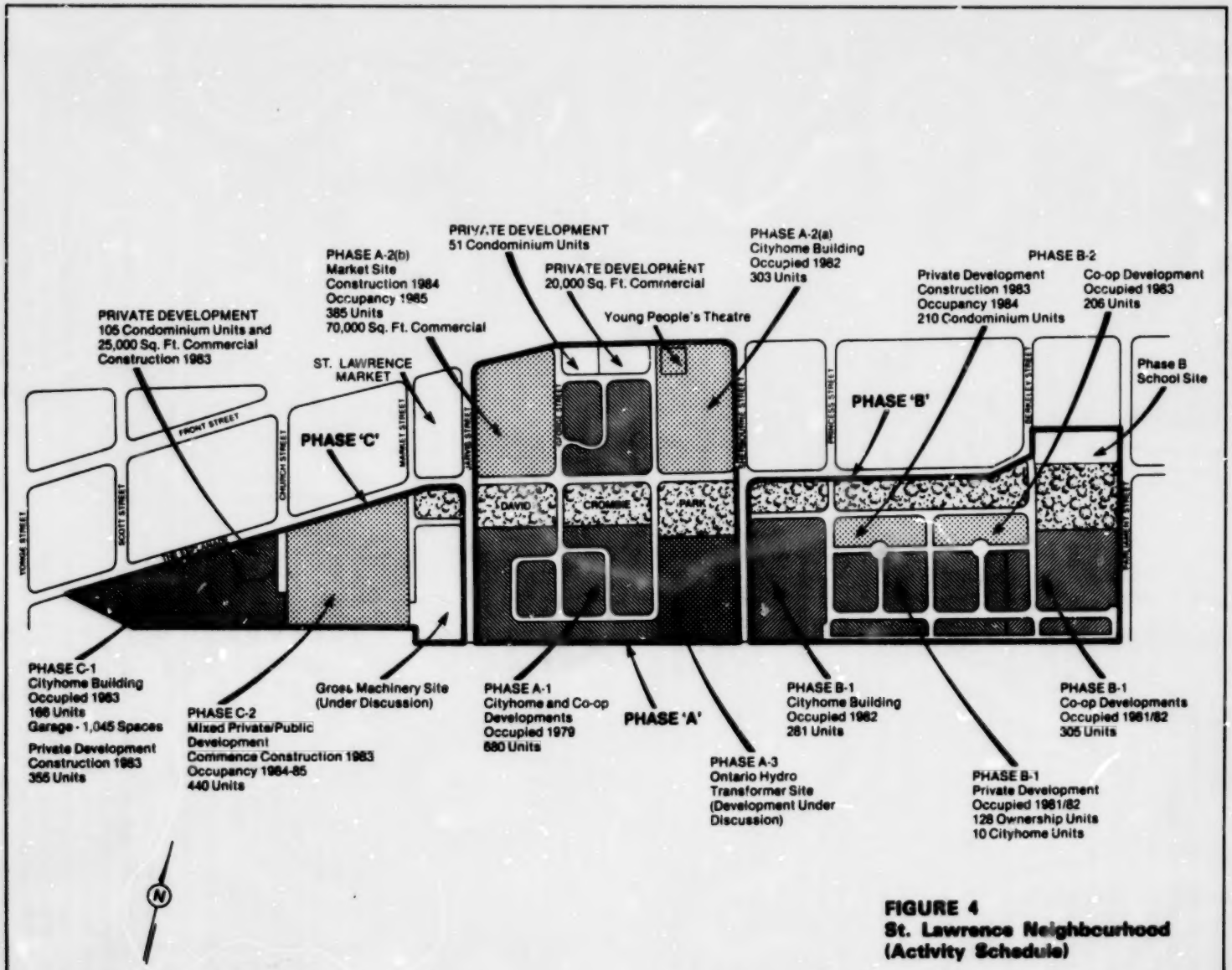


FIGURE 4
St. Lawrence Neighbourhood
(Activity Schedule)

ments are intended to reflect the character of their surroundings, allowing projects to be better integrated into the fabric of the neighbourhood. Indeed, by-laws sometimes require the provision of commercial space in downtown projects, and Cityhome could well be compelled to seek relief in this regard. Federal policies should be changed to permit losses in commercial space and to allow profits to be used to offset commercial losses that may have accrued in the same project or that may exist in other projects.

Cityhome's last planned project in St. Lawrence, 55 The Esplanade, was completed in February, 1983, and represents Cityhome's first project in the Central Core. Its 166 units will bring the Cityhome presence in the neighbourhood to a total of 967 units. The apartment structure has been built entirely upon a multistorey, above-ground parking garage operated by the Parking Authority of Toronto. Access to the apartment building is being provided from The Esplanade and from the garage. Rents in 55 The Esplanade run from $375 for bachelor apartments to $755 for a four bedroom unit, reflecting some locational premiums over other Cityhome apartments in St. Lawrence.

The parking/residential complex is part of a transaction worked out with Rampart Enterprises in Phase C-1 of St. Lawrence. The firm has obtained a rezoning and will begin construction of a 245 room hotel, between Scott and Church Streets, in 1983. A condominium, with about 355 units, will follow later, close to Yonge Street.

At the end of 1982, the exact status of much of the rest of the St. Lawrence Neighbourhood was not final. The closing of the sale of Block B-8 to Altona Holdings Limited was not concluded. With Windmill Line Cooperative's 206 units in B-9 almost done, the B-8 site will finish off the residential development of Phase B, that part of St. Lawrence lying east of Sherbourne Street.

The construction of a public elementary school by Parliament Street in Phase B is still a possibility, but a preferred, central location is the Hydro site just west of Sherbourne Street. Use of this site depends upon negotiations with Ontario Hydro. The decision to build another school relies as well on enrolments and has been postponed for the Board of Education's 1984 Capital Program. Since it was intended to develop the neighbourhood community centre in conjunction with the new school, a note of uncertainty has been introduced into planning of the community centre as well.

There is uncertainty too about the major remaining development parcels in St. Lawrence. A study of the Market Site - the parking lot to the east of the St. Lawrence Market - concluded that now is not the time to issue proposal calls, in view of the unfavourable economic environment. Similar reservations would apply to Phase C-2, between Jarvis and Church Streets, where discussions are also underway regarding the future of the Gross Machinery site. The development of this property would facilitate a more comprehensive, integrated design for the whole neighbourhood.

During the summer of 1982, the Housing Department and the Canada Mortgage and Housing Corporation undertook a study of occupants and amenities in St. Lawrence. A survey of all 1,460 households then in place (achieving a response rate ove 40 per cent) was coupled with field observation of parking behaviour and of the actual use of outdoor recreational space. While the detailed results of both investigations will be published in separate reports, some of the more interesting findings are summarized here.

The survey found an average household size of just over two people (ranging from one to seven people) and an average age of 31 years. Median incomes by household size for the different types of housing sponsors are set out in Table 9.
The incomes for the various social housing agencies are all within a fairly narrow range, and sharply lower than the incomes observed in the private housing in St. Lawrence. That incomes are as low as they are in the private units is attributable to the price limits set on many townhouses by Council, and the screening of purchasers of those townhouses by the Housing Department.

Frankel/Lambert Neighbourhood

Development of this west end community was just about wrapped up in 1982 (Figure 5). The last formal status report was issued during the year. Cityhome's Lambert Court, 96 apartment and townhouse units, was completed on schedule in September. Most of Lambert Court was rented up in one day, and the entire project was leased within a week. Rents, including utilities, averaged $366 for a one bedroom apartment, $458 for a two bedroom apartment, and $552 for a three bedroom unit.

Cityhome was asked in 1982 to buy a number of ownership townhouses from West York Development Corporation, after the firm's sales ground to a halt in the face of skyrocketing interest rates. The prices of most of these units were restricted by the City. A price increase was eventually permitted and government home ownership incentives came along at the right time, so that sales were completed smoothly. Fred Dowling Cooperative purchased West York's duplex units.

Work on Lotus Co-op was delayed by a fire which seriously damaged portions of the building under construction. The group recovered and the project was close to completion at the end of the year. Finishing touches were also being put on Constance Hamilton Co-op by year end. Constance Hamilton incorporates a women's emergency shelter, along with its conventional units.

Also completed in 1982 was the Melita Park. Designed by the City Parks and Recreation Department, with a wading pool and space for the activities of both adults and children, this is the second and final park in Frankel/Lambert. As at 15 Scadding Avenue, Cityhome has leased part of its Lambert Court site to the City for integration into the public park.

FIGURE 5
Frankel/Lambert Neighbourhood
(Development Parcels)

PHASE I

Block	Developer
2,4,5,6	Victoria Wood Freehold/Cityhome Townhouses
3	Arauco Co-op
7	Fred Dowling Co-op
8	Cityhome - 470 Melita

PHASE II

Block	Developer
9,11	Lotus Co-op
10	Constance Hamilton Co-op
12	West York Freehold/F. Dowling Co-op Townhouses
13	Cityhome - Lambert Court
14	Non-Profit Senior Citizen & Nursing Home (Planning/Construction)

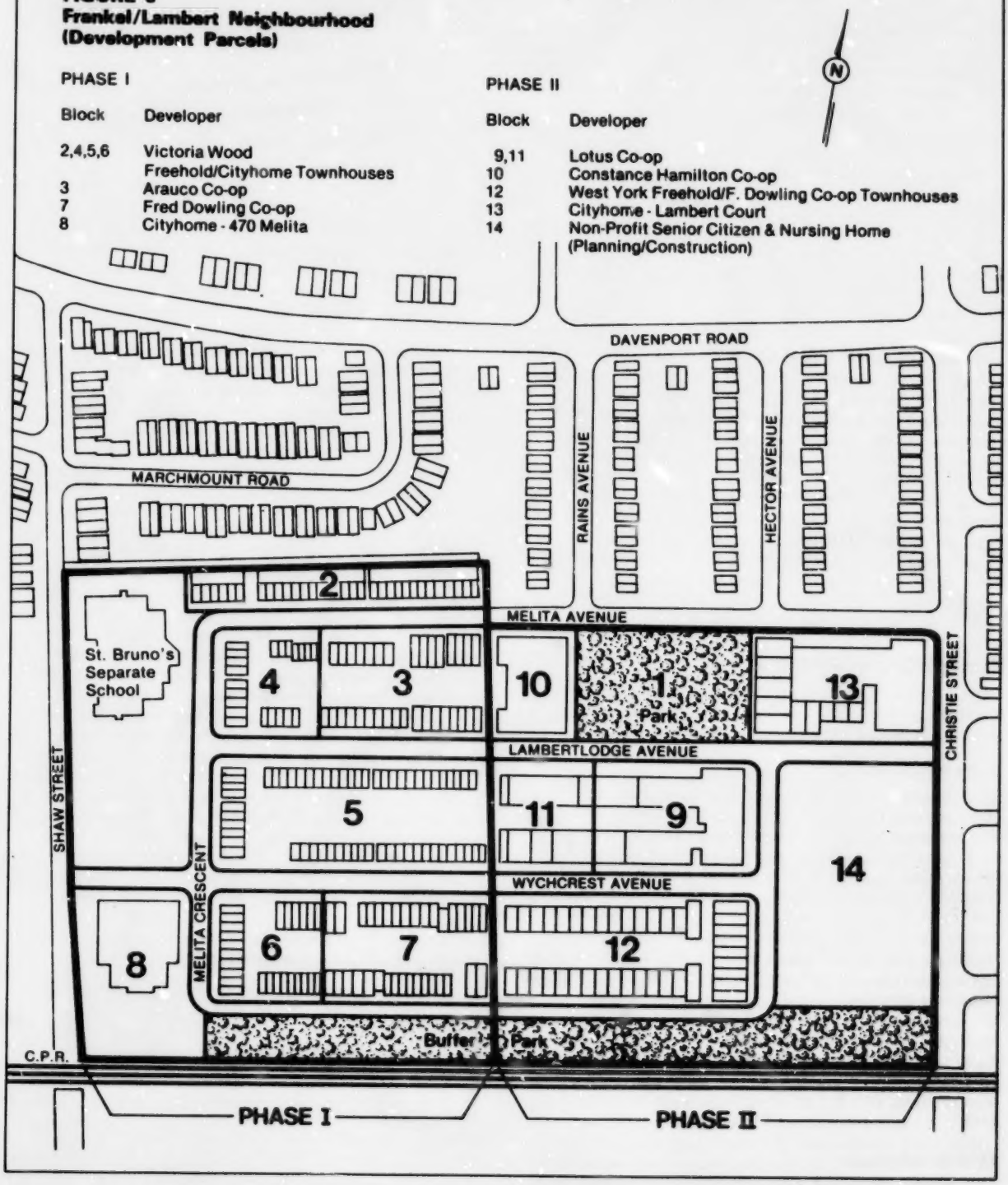


TABLE 9
St. Lawrence: Median Incomes by Household Size (1982)

Sponsor	Household Size (No. of Persons)				
	1	2	3	4	All Households
Cityhome	$14,100	$18,655	$20,000	$28,000	$18,000
Cooperative	18,000	20,000	24,000	27,000	20,000
Private Non-Profit	12,094	20,500	—	—	17,350
Private	35,500	45,000	47,500	40,000	45,000
All	16,500	22,000	26,000	30,000	20,000

The only piece of land left to develop in Frankel/Lambert is Block 14, at 350 Christie Street, where plans for a combined nursing home and senior's residence were postponed by the bankruptcy of Chateau Gardens. In 1982, Council agreed in principle to lease the land to Robintide Investments, acting for the Dovercourt Baptist Foundation. The basic Chateau Gardens scheme is being followed, with a change in occupancy ratios to 238 apartment units and 83 nursing home beds. CMHC has approved the plans and given a commitment, a nursing home operator has been signed up, and the closing is scheduled to take place in May.

Project Completions in 1982

Besides the projects completed in St. Lawrence and Frankel/Lambert, 1982 saw the completion of three smaller Cityhome developments.

21-23 Pembroke

Considerable work went into this little (8-unit) project, completed in the spring of 1982. An old house with 8 two bedroom apartments was sold to Cityhome at a very reasonable price, to meet by-law requirements for assisted housing in conjunction with an adjacent condominium development. Originally, by-laws covered both properties so that a breach of the by-law in one property would affect the other. This was unsatisfactory to the condominium owners, and a single by-law with two parts assigning separate responsibilities has been arranged.

Because the units offered to Cityhome were small, six of them were converted into reasonably-sized one bedroom apartments. Rent-up of all was very quick, with the one bedroom units going for $410 plus utilities, and the two bedroom units renting for $445.

61 Wales Avenue

This 30-unit stacked townhouse project had been considerably delayed because of legal problems with the original contractor, who was replaced by a second contractor who completed the project in May, 1982. The first installment of a loan given by the City to Cityhome to expedite construction has been repaid, but the as yet unresolved litigation is holding up remaining payments.

Most units were reserved by applicants prior to completion. Rents, exclusive of utilities, were $314 for the 7 bachelor apartments, $359 for the 8 one bedroom units, and $514 for the 15 three bedroom units.

Chatham Avenue

This stacked townhouse project was in planning for almost four years before a redesign, which boosted the unit count from 10 to 12, helped make it financially feasible. A second building permit was obtained in 1982 (the earlier permit counts as the formal achievement toward adopted targets) and, ironically, the tender price for the 12-unit scheme came in at less than the projected budget for the 10 units - a reflection of competition in the building trades in 1982.

Chatham Avenue, with 6 one bedroom units, 4 two bedroom units, and 2 three bedroom units, was substantially complete in December, 1982. The first occupants moved in early in the new year and paid rents averaging $373 for one bedroom, $425 for two bedrooms, and $575 for three bedrooms, with tenants responsible for heat and hydro costs.

Under Development in 1982

A number of Cityhome projects were actively under construction by the end of 1982. In addition, the Department was exploring alternative forms of accommodation not connected with the non-profit housing program.

Bathurst/Adelaide

This 150-unit apartment project was scheduled for completion around December, 1983, but construction is running well ahead of schedule. The site plan by-law was obtained in 1980, originally as a private pro-

ject. The development review process resulted in a lower building than planned then, to deal with potential air pollution difficulties from industries to the south. The project is a pure turnkey, with the builder absorbing all interim costs and Cityhome to pay the builder when the $9 million mortgage is assumed upon substantial completion. Rents in Bathurst/Adelaide will average $359 (plus heat and hydro) for the 52 one bedroom apartments and $437 for the 98 two bedroom units.

Brunswick/Howland/Albany

Otherwise known as Blocks 49 and 50, these surplus T.T.C. lots saw much faster construction than anticipated and were completed in March, 1983. But the circumstances producing these 21 triplex units were not so favourable. Required variances were received from the Committee of Adjustment in December, 1980, but continued opposition from some area residents led to a judicial review of the Committee's decision. After the receipt of a favourable judgement, a $1.5 million mortgage was arranged, and construction started in the summer of 1982.

The design of Brunswick/Howland/Albany has successfully incorporated a scale and style consistent with its surroundings. The project has rents higher than Cityhome norms, but, even in this excellent location, rents set on the basis of the private market are constrained by a substantial stock of cheaper, older housing. Tenants pay $530 to $560, plus utilities, for the 12 two bedroom units, and $600 to $660 for the 9 three bedroom units.

Asquith Park

This is Cityhome's second project in the Central Core. Although the zoning and agreements were in place earlier (and the project was consequently not counted as a target), the completion of development review and the receipt of the building permit in fact constituted the first approvals used to measure formal target achievements. Resulting from a land exchange as part of City negotiations with a private owner, this project saw a construction start in September, 1982 of 192 units in a high rise apartment form. The structure was just about at grade level by the end of the year.

Asquith Park is scheduled for completion by the end of 1983. Given its prime location, rents reflecting the surrounding market will be high by Cityhome standards (subject to final MMAH approval): exclusive of heat and hydro, the 17 bachelor apartments will average $354, the 115 one bedroom units will average $513, and the 60 two bedroom units will average $603. The full capital cost of this project, at 40 Asquith Road, is about $11.6 million.

139 Stephenson

Formerly an industrial site, rezoning for this project was received in 1982, with no sign of the opposition that held up its Cityhome neighbour, 111 Stephenson. This is becoming a familiar pattern, with successful projects paving the way for nearby developments. Purchase of the land closed in September - a negotiated late closing which avoided holding costs for Cityhome.

Cityhome's 139 Stephenson incorporates an innovative facility for senior citizens. One of the buildings will have a 10-bed home for seniors, designed for wheelchair accessibility, and central communal living and kitchen spaces. A private elevator will service the two-storey home. A one bedroom housekeeper's apartment will have direct access to the seniors' facility. A local support agency, Senior Link, will operate this residence for seniors who might otherwise have to be placed in institutions.

An anomalous aspect of the implementation of the Maximum Unit Prices (MUPs) which govern all social housing surfaced in 139 Stephenson. The seniors' home is in a building which contains their 10-bed facility, the one bedroom unit for their support staff, and two other self-contained one bedroom apartments. There is no such entity as a building incorporating conventional apartments and what CMHC calls "hostel beds" at the same time. The creative solution was to consider the one bedroom apartments as part of the hostel, and thus enable the entire building to receive a MUP for 13 hostel beds.

In total, beside the seniors' home, 139 Stephenson will have 91 apartments and townhouses, with a total capital cost of $5.9 million. Occupancy is scheduled for December, 1983. Subject to final adjustments, rents will be up to $381 for one bedroom, $527 for two bedrooms, and $621 for three bedrooms.

25 Mutual Street

Construction of this project started in November, 1982 and is scheduled for completion in November, 1983. The 97 units here represent only the third Cityhome project in the Central Core, and are a real bonus to the City. The project was originally conceived to meet assisted residential requirements of density bonus provisions for the Atrium on Bay complex. The initial intent was to supply the required assisted housing at Bay and Edward Streets, but it was decided that a separate site would yield design and marketing advantages. A deal for the Mutual and Queen Street site was near consummation, but at the last minute the developers reportedly received an attractive offer which caused them to back out of negotiations with Cityhome. A subsequent parting of ways among principals of the private development firms resulted in Cityhome being offered the already designed Mutual Street project on a turnkey basis. The project now has no connection with any planning agreements with the City, and the Elm Street project, discussed later, will satisfy density concessions for the Atrium on Bay.

With Cityhome's option on the project running out at the end of 1982, both municipal and provincial approvals had to be obtained quickly. Fortunately there were no insurmountable objections. The facade was redesigned for greater compatibility with its neighbours, but any attempt to accomplish more substantial changes would undoubtedly have lost the project. Cityhome's 25 Mutual Street will offer tenants good, basic housing in a downtown location. Rents in

this $6.1 million project will be lower than found in the surrounding luxury-dominated market, and there will be 24 low income households receiving direct RGI assistance. Its location also means that 25 Mutual Street will have rents higher than normal for Cityhome: around $395 for the 33 one bedroom units, up to $555 for the 51 two bedroom apartments, and up to $680 for the 13 three bedroom units, and tenants will be responsible for their own heat and hydro expenses.

349 George Street and 30 St. Lawrence Street

The Housing Department is chairing the Subcommittee on Alternative Housing - looking at emergency shelter and long-term forms of housing for homeless people. In 1982, CMHC agreed to fund an extension of the men's hostel at 349 George Street on the second floor, and almost double its capacity to about 70 beds. Tenders were received in November and work was finished in the new year, having been paid for by a CMHC grant of $65,000.

The Subcommittee also developed a proposal in August, 1982 to use the City-owned property at 30 St. Lawrence Street as a 45-bed emergency hostel. The capital cost of $90,000 is being paid by municipal grants. A number of problems with local residents were resolved through a liaison committee. Drawings were done in October, work was tendered in November, started in December, and was completed early in the new year.

Bachelorettes and Group Homes

These two forms of housing, that are almost guaranteed to arouse neighbourhood antipathy, occupied a great deal of the Department's time in 1982. Staff are providing consulting assistance to the Bachelorette Clean-up Team in negotiations with owners on the conversion of their properties to legal uses. Agreements have been drafted between the owners and Cityhome to permit the handling of tenants on a rent-geared-to-income basis, but actual implementation will require subsidies.

The Department is also chairing a committee whose primary goal is to establish a profile of homes providing services to ex-psychiatric patients in order to develop standards and to assist in the provision of rehabilitation assistance programs. To this end, about one-quarter of the relevant homes in Parkdale have been extensively surveyed. In addition, a number of proforma analyses have been undertaken, using known expenses incurred by these homes, in order to establish realistic rehabilitation guidelines. The Committee will report in mid-1983.

Planning in 1982 for New Cityhome Projects

Taking advantage of market conditions, opportunities opened up by developer-City negotiations, and the potential of under-utilized government-owned sites, the Housing Department has progressed in the planning of sufficient units to make 1983 the best year ever for Cityhome. Of course, this assumes that provincial approvals will be forthcoming, and will not be withheld because of deficient allocations. At time of writing, with only 425 units eligible for commitment in 1983 (and then only if they are ready to go by August), it will not be possible to proceed on all projects as planned unless many projects in other municipalities are also unable to proceed and Cityhome benefits from a major shuffle of allocations during the year, or unless the Federal Government brings overall allocations a little closer to the level of needs. Given the present state of uncertainty, it is impossible to predict what will happen to all the projects below, other than to say that staff will work to secure all the necessary approvals.

As the descriptions below detail, project planning is a complicated process. Many of these sites have been the subject of review, negotiation and design study for a considerable time. Other sites, which are just in the initial stages of planning, are not expected to see any construction for at least a couple of years. The need to tie the planning process closely to the allocation process is obvious. The present practice of announcing a few months ahead, at best, or within the budget year at worst, is completely unsatisfactory. In practical terms, the muncipality must assume a high degree of risk.

In projects where rents have received preliminary approval, the rent levels have been indicated below. As can be seen, the rents cover a substantial range. The next chapter discusses the implications of the changing Cityhome rent structure in some detail, but it should be obvious that Cityhome will soon be serving tenants with significantly higher incomes than previously.

430 Broadview

This City-owned office building will be converted into 15 walk-up apartments. Work could have begun earlier, but this was one of the projects originally scheduled for a 1982 mortgage commitment whose approval was postponed until 1983 by the Province.

Since the Zoning By-law stipulates that an apartment building is a structure originally built as such, conversions like Broadview represent an undefined use, and a variance is necessary even though the property in all other respects may comply with existing zoning after its conversion. This introduces unnecessary delays into the development process, discouraging worthwhile conversions, and should be corrected.

A potentially serious problem with this and other renovation/conversion projects is the present National Housing Act limit on mortgage coverage. For new construction, mortgages cover 100 per cent of capital costs; but for existing buildings, a 10 per cent equity requirement exists. This policy must be changed, as it could affect other projects such as the Coxwell Stables, and could discourage future attempts to undertake innovative uses of non-residential space.

The total capital cost for 430 Broadview, including acquisition of the site from the City, will be a little short of $900,000. Rents will average $346 plus heat and hydro for the 7 one bedroom apartments and $444 for the 8 two bedroom units. Completion is anticipated by July, 1983.

11 Sullivan Street

Another of the projects carried over from 1982 because of the allocation reduction is 11 Sullivan Street, a City-owned site to have been leased to a locally based cooperative. The 29-unit design worked out by the cooperative failed to come in at less than the maximum price limits and Cityhome took over development. Whereas the cooperative had proposed total demolition and new construction, the 31-unit Cityhome scheme uses the former RCMP headquarters on the site for 17 walk-up apartments, with 14 new townhouses alongside.

As at 430 Broadview, this project ran into problems with the Zoning By-law. Again, apartment buildings are not recognized unless originally built as such. Stacked row housing is also not a defined term and variances were necessary to permit construction.

The Cityhome scheme was successfully tendered within allowed prices. Its total capital cost will amount to about $1.9 million. Rents, forecast to the end of 1983, will run from $440 plus heat and hydro for a one bedroom apartment to $660 plus utilities for a three bedroom townhouse unit.

63 Mitchell Avenue

In the Spring of 1982, Council authorized development of a Cityhome triplex on this City-owned site in the Niagara district. Working drawings were completed in 1982, but construction was deferred because final MMAH approval was postponed until 1983. Construction early in 1983 will see occupancy in the summer.

320 Kingston Road

This 36-unit stacked townhouse and walk-up apartment project is a turnkey that was scheduled for construction by the end of 1982, but, with a final commitment withheld because of the allocation cut-backs, the start was delayed until February, 1983. The same lender is handling Cityhome's mortgage financing and the builder's interim financing, avoiding any problems about security. Cityhome will close the sale upon substantial completion early in 1984.

Coxwell Stables

A rezoning for this interesting conversion is still in process. The City-owned stable is listed by the Toronto Historical Board for its architectural details, and the Board has approved Cityhome designs. Two bedroom row houses will be established in the old stable and a bachelor and one bedroom apartment will be built in an auxiliary office structure. Preliminary rents are set at $315 for the bachelor unit, $380 for the one bedroom unit, and $456 for the two bedroom townhouses, with tenants responsible for utility charges.

Scheduled to begin work in June, 1983, the project will require a mortgage of about $675,000. It will be ready for occupancy late in the year.

40 Queen Victoria

A building permit was obtained in March, 1983, for nine two bedroom units in triplex form to be built on this vacant City-owned site in the east end, postponed by a hold-up in final provincial approval. The construction contract was below the Maximum Unit Price, resulting in a total capital cost of just under $600,000. Work started promptly in March, 1983, and completion is scheduled for the fall.

Newbold Avenue

The original owner had problems securing financing for a 21-unit walk-up apartment to be turnkeyed to Cityhome, but a subsequent purchaser is willing to complete the deal. Most provincial approvals have been obtained and the project can proceed as-of-right, needing only a building permit from the City. Hopefully, construction can begin early in 1983. Subject to final adjustment, rents will be $375 plus heat and hydro for one bedroom, $450 for two bedrooms, and $515 for three bedrooms.

Huron/Madison

This was a private non-profit project in the Annex, containing a mixture of new construction and renovated houses. Work had begun in 1976 but was still not finished at the beginning of 1982. In May, CMHC asked Cityhome to consider taking over the project. After a thorough review, staff reported to the Board that there were serious financial, administration, and construction problems and that these could not be cleared up without pushing rents to unmarketable levels (this project was financed under the old, cost pass-through program). The Board decided not to acquire the project at that stage, and the Executive Committee passed up the City's first refusal rights on the site, so that CMHC could take possession in September. Within three months, outstanding problems were rectified and negotiations began on a straightforward purchase by Cityhome. CMHC is granting a special allocation out of its own budget to cover this project so that it will not affect the overall subsidy allocations from the Ministry of Municipal Affairs and Housing to Cityhome in 1983.

25 Elm Street

This site fulfills obligations to supply assisted housing in exchange for concessions from the City in the Atrium on Bay complex. The City was conveyed the land for a nominal charge, but this will be an extremely difficult and costly site to develop. The lot is tight against neighbouring structures and parking will have to be supplied in three subsurface levels.

The current scheme calls for a 16 storey apartment building, with 100 units above commercial space

on grade. The site plan by-law was in place in the fall of 1982 and the project will go through development review early in 1983. To be built through a standard contract tender, work should start around July.

Early in the planning for this project, the Housing Department and the Mayor's Office were approached by the Nucleus Housing Committee, representing quadriplegics looking for non-institutional opportunities to be part of the community and to be as independent as possible. Elm Street's location and elevator provisions, plus the time it allowed to incorporate appropriate design features, made it ideal. Although Nucleus will not now be the group going into Elm Street, Three Trilliums, an organization with a similar membership, will be taking advantage of the site and the special efforts that went into it. As discussed below, there have been problems arranging subsidies for the support services to complement the standard non-profit assistance.

An environmental psychologist was retained to consult with Nucleus and others in the field and to advise the Department on design modifications which would satisfy the special needs of the group's members. Major changes were made in all parts of units reserved for the disabled, including full incorporation of what would have been sun rooms into the living space of the units, and a larger floor area overall. A one bedroom unit on each of 15 floors has been set aside for the disabled, an arrangement preferred by them, which facilitates both integration and building desig An office is being provided for support staff, whose services will be funded by the Ontario Ministry of Community and Social Services(Com Soc).

Concerns were expressed in some quarters about the overall design of 25 Elm Street. Changes were made to better respect the streetscape and architectural character of nearby buildings, and to comply with suggestions of area business representatives. Drawings and specifications are currently being prepared for this project.

With the most central location of any Cityhome project to date, (and only the fourth Cityhome project in the Central Core), 25 Elm Street will also have the highest rents. Projected to July, 1984, excluding heat and hydro, low-end-of-market rents for Elm Street run from $575 to $640 in the 72 one bedroom units and $710 to $745 in the 28 two bedroom apartments, with an extra $45 for parking. Since occupancy is now scheduled for October, rents can be expected to be even higher than the July calculations. The present Elm Street design has a total estimated capital cost of $6.2 million.

Homewood/Maitland

The rezoning of this project was under review during all of 1982, and is still in process. The rezoning report has been approved by Council, and if no objections hold up final approval, construction should start this fall and finish late in 1984. The purchase arrangements have not yet been settled. The project may be handled as a regular turnkey, or the land may be purchased and a separate construction contract set up with the vendor's construction arm. The site is part of a large scheme which places a high- rise condominium close to Cityhome's five storey building.

The present design calls for 146 units: 84 one bedroom apartments (including three handicapped), 50 two bedroom suites, and 12 three bedroom units. The capital cost is estimated to be about nine million dollars.

Elm Ridge Drive

The Department was approached about turnkey prospects for two sites at 145 and 165 Elm Ridge Drive. The proposal developed in consultation with the Department involved a nine-storey apartment building and three townhouses. At a public meeting there was considerable opposition, even though both density and height are lower than permitted. As it stands, only minor variances are necessary, but an O.M.B. hearing is possible. Municipal approvals are planned for 1983.

Confronting community opposition and a lengthy approval process has been discouraging for the private owner, who asked Cityhome to make an offer for the land itself. An offer has been made and the land purchase has been approved for the site of approximately 29,000 square feet, which becomes part of the 1983 landbanking target. The Department will probably proceed with the present basic design which has already gone through reviews by the Ministry of Municipal Affairs and Housing. Present plans call for the incorporation of a seniors' facility similar to that in 139 Stephenson, which would be substituted for the townhouses. Variances will be required for this facility. Rents, yet to be approved, will run from $428 for a one bedroom apartment to $643 for a two bedroom apartment with a den.

Bathurst Quay

Cityhome will build two projects in Harbourfront's Bathurst Quay. Harbourfront Corporation has tended to be optimistic about its scheduling, looking for 1982 approvals for the 500 units of assisted housing in this area, and now planning construction starts in September, 1983. But the development reviews to be obtained, the allocations to be arranged (and Bathurst Quay alone would exhaust much of the allocation available to both Cityhome and the cooperatives), and the complications of bringing in other services (roads, sewers, etc.) at the same time as building construction is to proceed, suggest that a later start may be more realistic. Given the size of the Bathurst Quay projects and their present scheduling, any reduction in Cithome activities because of the cut-back in allocations will most likely affect Harbourfront.

Cityhome will incorporate two group homes for handicapped adolescents, with seven beds apiece, in its Lakeshore Boulevard building. Harbourfront wanted Cityhome to take four such homes, which would have overly concentrated these facilities. With only 130 conventional apartment units, the Lakeshore building would have been dominated by the group homes. A variance was obtained to permit the 14 beds.

The establishment of community services has been left to the individual developers to provide. But as the above discussion of commercial leasing problems in 176 The Esplanade points out, non-residential space in social housing must pay its own way. For instance, the daycare centre proposed for inclusion in one of Cityhome's buildings would either have to pay market rent or receive substantial municipal assistance. Any rent at all would likely result in prohibitive charges for unsubsidized daycare spaces. A new centre would have few subsidized spaces, and St. Lawrence patterns show that demand would consequently be low. A daycare centre might be possible through an arrangement with an area business, but an arrangement similar to that in 15 Scadding Avenue is most unlikely.

Both Cityhome projects in Bathurst Quay are at the schematic drawing stage. The Park, or more southerly site, will contain about 110 apartment and stacked townhouse units. A preliminary soils report revealed none of the methane problems that had been suspected. Lease amounts for the land have yet to be settled, but will obviously have to conform with social housing price restrictions. Rents have also not been estimated, and could prove tricky. There are really no comparable locations with any housing which could provide meaningful guidelines. While Bathurst Quay certainly offers easy access to the lake and the amenities of Harbourfront itself, environmental problems may discourage some prospective residents, and poor access to shopping, schools, and public transit may discourage others, particularly family households.

Greenwood/Walpole

In January, 1982, after nine months of work with area residents, the Housing Department completed a consultative process which culminated in a meeting at which approval was given to the preliminary design. The preliminary rezoning report was approved by the Land Use Committee in May. A follow-up public meeting raised objections. Because of the opposition, the Planning Board deferred consideration of the project, and more recently, has referred the project to the Commissioner of Planning and Development in an effort to reduce the density and change the built form.

The Department will proceed with applications for necessary approvals and hopes to start construction by the fall of 1983. In the current design, 146 units in low-rise apartment buildings, replacing a Public Works yard, will offer an improvement in land use and a significant achievement toward Council's assisted housing targets. Cancellation of this $9.4 million project for any reason would cost $76,000 in outside fees and more than four months of Housing Department staff time.

Queen/Vansuley

To be handled as a straightforward turnkey, 140 apartment and townhouse units are scheduled to start construction about November, 1983. A rezoning will be necessary, and the private developer has begun discussions with the Planning and Development Department.

Chestnut/Elizabeth

One of two sites negotiated by the City to satisfy assisted housing obligations in connection with the Eaton Centre, Chestnut/Elizabeth has been approved by Council for development by Cityhome. An architect has been hired and design work started in November. 1982. Schematic drawings are complete. There is a possibility that some suites will be designed and reserved for a service agency for the disabled, as in Elm Street. The project is also to include 20,000 square feet of commercial space, 5,000 of which will be reserved for retail uses, and the bulk of which will be leased by the City to relocate the Housing Department offices. This grade level space will greatly improve applicant and tenant contacts.

Construction of this 146-unit project, which will cost about eleven million dollars including its commercial space, is scheduled to start in November, 1983, unless there is a shortfall in allocations, or unless the agreement with regard to the Eaton Centre falls through - in which case the City will be out $75,000 in fees for outside work and one month in Housing Department staff time.

Jones/Curzon

City landbanking funds were used to acquire this 22,000 square foot site just north of Queen Street in the fall of 1982. A rezoning will probably be necessary to proceed with the planned 15-unit stacked townhouse project. Essentially a vacant lot in rear yards, Jones/Curzon represents the sort of infill project which takes a lot of effort to get only a few units, but are rewarding in their improved efficiency of land use, and are rarely feasible within social housing price restrictions. Construction is scheduled to commence at the end of 1983.

Wellesley/Maitland

In March, 1982, a feasibility study was completed of the development potential for the Parking Authority of Toronto's Lot 5. Cityhome and the PAT agreed that a parking (500 spaces) and residential (155 units) complex was practical and obtained authorization from Council in September to engage design consultants. By the end of 1982, schematics were almost done, but a lengthy rezoning and Official Plan amendment process is contemplated and construction should not start before 1984. This project will be a high priority next year.

Roehampton/Yonge

Parking Lot 49 is the subject of a feasibility study expected to be reported early in 1983. If development proceeds, the Parking Authority of Toronto will have a garage with about 375 spaces and Cityhome will get about 80 units. A rezoning will be necessary. Construction will not occur before late 1984 or early 1985.

Housing Support Groups

The Department's involvement with the Nucleus Housing Committee on Elm Street, and increasingly frequent approaches by other such organizations, prompted contact with the Ministry of Community and Social Services (Com Soc) to clarify the nature of their funding. Normally an average of 10 to 16 units or persons within a project must be in need of support services before the Ministry will consider assistance, although there are no rigid rules on the number of units. The criteria for funding place some priority on economies of scale, so that more units with fewer staff will stand a better chance. Otherwise approvals are left to Com Soc regional offices and handled primarily on a first-come, first-served basis. Only about one new project per year receives assistance in this area from the support service program for the physically handicapped.

Reservation of any units for groups such as Nucleus presents the Cityhome Board with policy difficulties. Com Soc funding carries no ironclad guarantees, but the substantial design modifications undertaken to accommodate such specialized needs do involve a long-term commitment on Cityhome's part - a commitment which is risky to make without the assurance that support services will be forthcoming for tenants who cannot otherwise live independently.

Further, unless the Com Soc funding can be used to pay rents directly or unless MMAH is willing to allow rent-geared-to-income assistance to be extended to all the special purpose suites, there will be an adverse impact on normal Cityhome tenant selection procedures. In a project like Elm Street, for instance, 25 units would normally be administered on an RGI basis. If 15 units are set aside for a group, virtually all of whom will require assistance in meeting rent payments (and it is difficult to believe there are many severely disabled people capable of paying fairly steep rents), then there will be very few units left to deliver to the people who have been on the regular Cityhome waiting list for two or three years. In terms of the traditional Cityhome clientele, the project would be of little benefit. In the case of 139 Stephenson, the Province allowed the RGI levels to be mixed, so that half the seniors could be subsidized directly, while the 25 per cent level applies to the rest of the project. In the case of special purpose units in other, non-municipal projects, the Province allows up to 100 per cent RGI assistance. This mixing is a practical solution to a thorny issue. Without it, the Board will surely be discouraged from making any such major concessions to the disabled in the future.

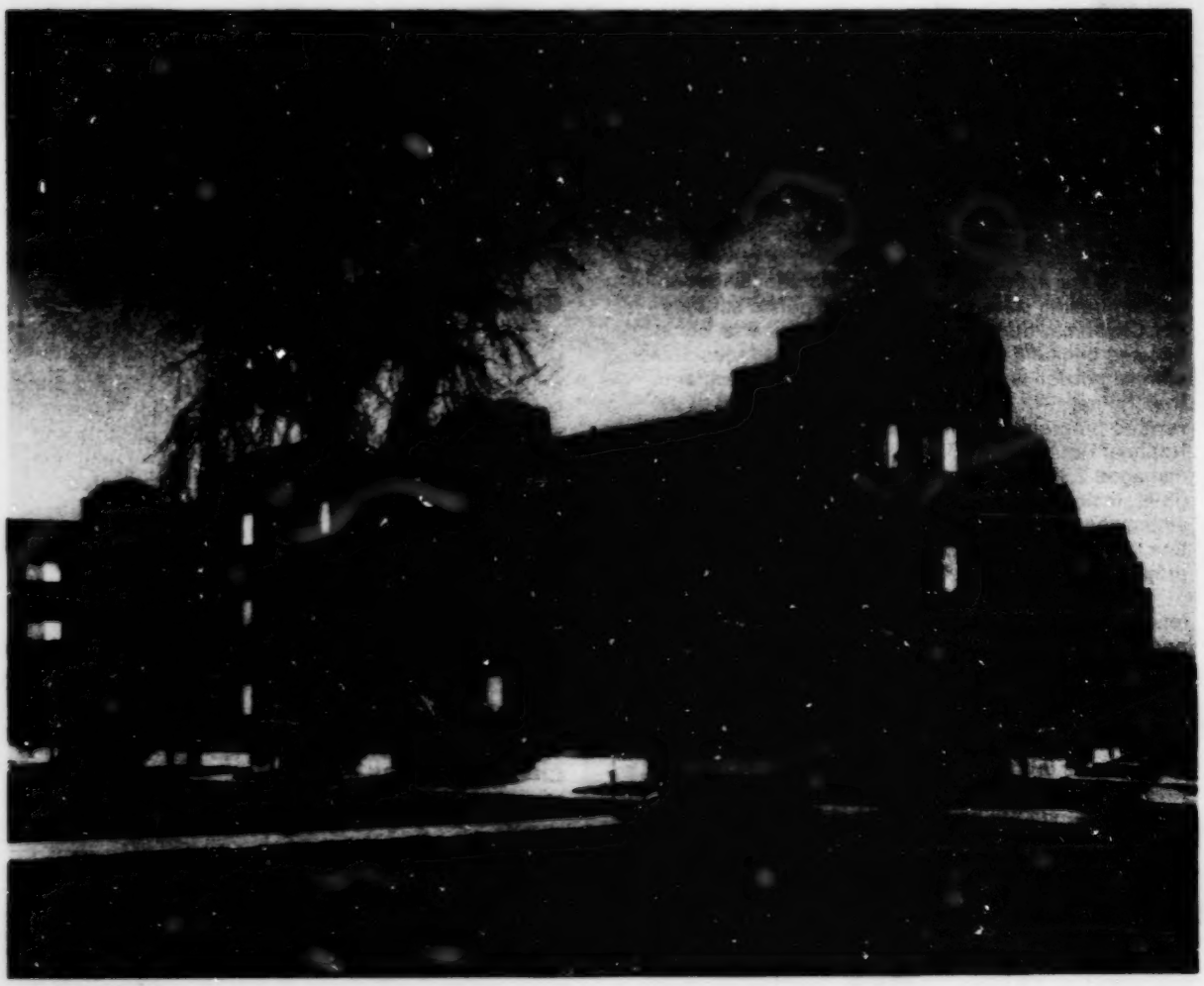
Recommendations

That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to amend regulations pertaining to the revenue generated by non-residential space in non-profit housing projects, so that profits do not have to be used to reduce residential subsidies, but can be used for other purposes, including reimbursement for losses fron non-residential space that may have accrued earlier or that may exist in other projects.

That Council request the City Solicitor, in consultation with the Commissioner of Planning and Development and the Commissioner of Buildings and Inspections, to draft amendments to the Zoning By-law to define apartment houses to encompass conversions from structures not originally built as such, and to define stacked townhouse forms, in order to reduce the necessity to seek variances from the Committee of Adjustment.

That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to permit social housing developers to secure 100 per cent financing for acquisitions and conversions, without any equity requirement.

That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation to issue guidelines for the establishment of Maximum Unit Prices (MUPs) so that, in structures containing a mix of hostel and conventional units, separate MUPs can be applied independently to the hostel and apartment components.



Lambert Court

4 Cityhome — Programs and Policies

As with most rental housing, there are substantial subsidies going into the development of social housing. The direct and visible involvement of governments in the approval, financing, and administration of social housing places it under close public scrutiny. For Cityhome, the overall picture is somewhat complicated because the Corporation now manages substantial portfolios built under two different programs: the original 1973 non-profit legislation and that of the revised program set out in 1978 amendments to the National Housing Act. At the end of 1982, Cityhome managed 2,974 units sponsored under the old program, including 1,066 acquired units. The Corporation also owned 846 units financed under the 1978 legislation, all but eight of which were in newly constructed projects.

The old non-profit program provided direct lending from CMHC, with 50 year mortgages at eight per cent interest, combined with federal and provincial capital subsidies, and a separate rent supplement program giving direct assistance to low income households. Rents for all units built under the old program were and are set on a cost pass-through basis. Rents in the new municipal non-profit program, which the Introduction to this report described in more detail, are set on the basis of rents in comparable private accommodation and are adjusted annually to reflect increases in the private sector.

As construction and land costs rise, the subsidies necessary to generate competitive rents in new housing, publicly or privately sponsored, also rise. Much of the federal outlay to new social housing projects is now devoted to general rent reduction. The efficiency of these expenditures and the characteristics of their beneficiaries are legitimate concerns. This brings us to what are probably the most sensitive issues in both the old and new non-profit programs: who are these projects serving, who will they serve in future, and how is the tenuous balance maintained between the conflicting goals of social/income integration and the control of subsidy expenditures?

This chapter will first examine Cityhome applicants, to determine the types of households who line up for years on the Cityhome waiting list. But since the waiting list presently incudes only low income tenants needing rent-geared-to-income (RGI) assistance (seniors, individuals with medically documented disabilities, and households with dependent children), it can give just a partial picture of the people Cityhome will serve in the future. The rest of the chapter describes existing tenants and expectations about future tenants based on projected rents. Some serious policy issues surface when one is forced to the conclusion that Cityhome is starting to serve tenants with higher incomes. The solutions are neither obvious nor painless.

Cityhome Applicants

As noted in Chapter 2, the 1,569 applications received in 1982 brought the Cityhome waiting list to 4,198 households at year end. Administration of the waiting list has itself become a major task. Tenant Placement staff were hard-pressed to cope with applicants and prospective applicants, as well as make several hundred personal contacts to fill projects completed during the year. Complicating their jobs were difficulties frequently encountered in determining an applicant's eligibility for RGI subsidies. The Cityhome Board of Directors has been granted a little more discretion in these matters than previously, subject to policies established by the Minister of Municipal Affairs and Housing.

TABLE 10
Cityhome RGI Waiting List:
Household Size Distribution, December 31, 1982

Persons per Household	Households	
	Number	Percent
1	1,648	39.20
2	967	23.00
3	739	17.57
4	454	10.80
5	234	5.56
6	99	2.35
7 - 9	62	1.47
10 and over	2	.05
Total	4,205	100.00

Average Number of Persons per Household = 2.35

Total Number of Persons = 9,890

Note: File updates boosted the waiting list to 4,205from the actual December 31 total of 4,198.

Source: City of Toronto Housing Department, 1983

Unfortunately, due to the size of the Cityhome portfolio and waiting list, it seems that many exceptions to the standard policies will arise. Staff must not only handle the many applicants who fail to meet eligibility criteria, but must carefully evaluate those cases which are not clear-cut, and secure extra documentation or refer decisions to the Board as required. The 4,198 names on the waiting list imply a heavy workload for the Housing Department. Of course, the important issue with regard to the waiting list is the pressing and diverse needs it represents.

Single people, even though their eligibility is restricted, comprise about the same proportion of the waiting list as they do of City of Toronto households generally (Table 10). The large number of singles suggests that Cityhome may have to devote more effort in planning for new projects to the incorporation of a higher proportion of small units than at present - including better designed bachelor apartments which can overcome some of the marketing resistance associated with these units in the past.

Looking at household composition in more detail, one finds that 59 per cent of all the singles on the waiting list are females and that female-headed, single parent households (at 29 per cent) represent the biggest group overall. Close to half of all households on the list have children. Seniors, who comprise only 11 per cent of the Cityhome waiting list, are under-represented relative to their 16 per cent representation among all City residents.

About 43 per cent of applicant households derive their income from employment or a combination of employment and social assistance payments (Table 11). The proportion of working households rose slightly in 1982, which had some influence on incomes: the median household income of $6,804 was about 8 per cent higher than the year before (Table 12). Obviously, working or not, Cityhome RGI applicants have few resources to compete effectively in today's housing market.

TABLE 11
Cityhome RGI Waiting List:
Income Sources, December 31, 1982

Income Source	Households Number	Percent
Family Working	714	17.0
Single Working	354	8.4
Mother-led Working	590	14.0
Father-led Working	46	1.0
Friends Working	18	0.4
Subtotal Working	1,722	41.0
Old Age Pension	313	7.4
Other Pensions	466	11.1
Single Welfare	332	7.9
Family Welfare	444	10.5
Mothers Allowance	263	6.2
Subtotal Non-Working	1,818	43.3
Combination Employment/Allowance	78	1.8
Other (eg. U.I.C., Family support)	580	13.8
Subtotal Combination and Other	658	15.6
Grand Total	4,198	100.0

Source: City of Toronto Housing Department, 1983

TABLE 12
Cityhome RGI Waiting List:
Annual Household Incomes, December 31, 1982

Income Range	Households Number	Percent
$0 - 4,999	1,170	32.24
$5,000 - 9,999	1,408	38.79
$10,000 - 14,999	704	19.39
$15,000 - 19,999	260	7.16
$20,000 - 24,999	60	1.65
$25,000 - 29,999	17	0.46
$30,000 - and over	10	0.25
Total	3,629	100.00

Average = $8,143

Median = $6,804

Note: Income of 589 households not reported, generally representing social assistance or other fixed incomes to be confirmed when housed.

Source: City of Toronto Housing Department, 1983

Cityhome Tenant Household Composition

Near the end of 1982, a private consultant was engaged to survey Cityhome's market tenants who had moved in before the beginning of the year. Through a combination of mailed and telephoned reminders and personal, door-to-door follow-up, the survey achieved a net response rate (after deducting move-outs over the period, properties leased to institutions rather than individual households, etc.) of 72 per cent with fully completed questionnaires, and 76 per cent with partial data.

The information collected from the survey was added to that already computerized from more recent tenants, to yield complete data on 1,635 market tenants (74 per cent of the total 2,224 market units at the time) and on 1,299 RGI tenants (88 per cent of the total 1,477 RGI units at the time). The sample in each case precisely matched the distribution of unit types, to within one per cent even in the finer subdivisions of the various types of Cityhome accommodation for single persons (Table 13). In short, the data on the RGI and market households were representative of the types of households in each group. The sample was weighted to yield the correct proportionate response from RGI relative to market households, so that aggregate income distribution figures would reflect the actual tenant mix. The data available made a detailed examination of Cityhome tenants possible for the first time.

Household Size

The occupancy guidelines for RGI households regulate the number of persons per bedroom, depending upon the ages and sexes of the people involved. It is not surprising, therefore, to see that, in the smaller units, RGI households are smaller on average than their market counterparts (Table 14). Market households sometimes crowd into the smaller units to reduce costs. In the larger units, market households have the flexibility to use more space per person.

Because relatively more of the largest households are in receipt of RGI assistance, the average household size for RGI tenants is somewhat larger than for market tenants. The slight degree of overconsumption of housing that does exist is more pronounced in market units: 4.2 per cent of market units have more bedrooms than people, against only 1.8 per cent of RGI units (and this must be regarded as temporary, with households awaiting transfer to smaller units). On the other hand, in the smallest unit types, market households consistently show more evidence of overcrowding, with RGI households at the accepted standard of one person per room.

Household Relationships

While there is generally a fairly close correspondence of household sizes by unit type, comparing market and RGI households, there are some sharp differences in the types of households found in each group (Table 15). The most obvious discrepancies relate to female-headed households. Single males outweigh single females in market units, but the reverse is true in RGI units. Far more striking is the pattern for single parent families: those headed by males are equally represented in both market and RGI units, indicating that they have no special affordability problems. However, these families are few in number - about three dozen - and it may not be wise to assume that they characterize the population. On the other hand, female-headed single parent families are five times more likely to be found in RGI units than in market units. This pattern confirms the finding of other studies that poverty is more prevalent among female-headed households than among male-headed households.

Single person households dominate the Cityhome tenant composition. Married or common-law couples have twice the representation amongst Cityhome tenants that single parent families have, and extended (three generation) families are surprisingly common in both market and RGI units. Extended families are not normaliy eligible for RGI assistance, but are a way of life among some ethnic communities, and the Cityhome Board has established policies to permit their subsidization.

Focus on Low Income Households

With so many people in need of decent, affordable housing, the Cityhome Board is concerned that a more refined priority system may ensure that those

needing the most help get it first. The standard of comparision in Ontario must be the point rating system used by the Ontario Housing Corporation and its local public housing authorities.

OHC intermittently reviews and revises the points it assigns to various categories of housing need. The current version gives more weight to income and the affordability of the applicant's existing accommodation than previous points systems, which relied more heavily on measures of the physical condition of the applicant's home. This modification recognizes the greater importance of affordability in the housing problems that continue to confront Canadian renters.

Cityhome's waiting list operates on a first-come, first-served basis. An applicant's eligibility for RGI assistance is verified and a chronologically determined application number is assigned. Vacancies are referred to applicants who have been on the list for the longest time and who are interested in the specific project or its general vicinity. The General Manager and the Board can exercise some discretion in true emergencies; but this option is rarely used. In a new project, one-half of RGI units may be reserved for local residents - a policy intended to enhance neighbourhood stability.

What many people fail to recognize is the simple fact that those who are willing to stay on Cityhome's RGI waiting list the longest tend to be those most in need. A waiting list for market applicants was maintained for a few years and was finally abandoned in 1979. The greater the options available to any household - another way of saying the less the household is in real need - the greater the probability that, by the time a unit can be made available, the household will no longer be interested. The market waiting list became virtually useless for filling vacancies, even in new projects.

A comparison of tenant incomes between Cityhome and the Metro Toronto Housing Authority is instructive (Table 16). Looking at Cityhome's RGI units and MTHA's public housing portfolio, one finds that average incomes in Cityhome are consistently below those in MTHA, with the sole exception of four person households, where the difference is insignificant. The overall difference - $8,014 in Cityhome versus $10,070 in MTHA - overstates the case because MTHA's households are larger on average than Cityhome's.

The evidence indicates that Cityhome, in its geared-to-income units, is serving a generally lower income clientele than MTHA. On the other hand, Cityhome's procedures avoid the concentration of specific household groups which any arbitrary assignment of points will yield. For instance, General Welfare recipients represent only about 13 per cent of Cityhome's RGI tenants, or barely five per cent of all Cityhome tenants. This effect is most obvious in looking at the single parent representation. Across the entire Cityhome portfolio, single parent families are only 7 per cent of all tenants, their numbers being diluted by the income integration of the non-profit program. Even in Cityhome's RGI units, single parent families are only 25 per cent of tenants (not much higher than seniors at 20 per cent). In sharp contrast, an overwhelming 47 per cent of MTHA tenant households are single parent families.

In short, Cityhome's current first come, first served RGI waiting list practices are effective in serving needy tenants. They do so without the adverse social effects of more stringent selection priorities, without the bureaucracy and its related costs, and without the degree of intervention in people's lives that a detailed review of personal circumstances entails. At this time, there is no sound reason for any significant change in Cityhome's existing policies in RGI unit allocation.

Assessment of Income Targets

Council has adopted an income target for Cityhome tenants, such that when surveys indicate that less than 80% of tenants are in the lower two quartiles, a thorough program review will be undertaken to seek changes to maintain the low and moderate income focus of the program. That target is based on the income distribution of the entire Cityhome portfolio, relative to the median income for all City households.

In 1982, the Housing Department estimated the overall City median at $25,781. The Cityhome tenant median income was $12,900 in 1982, and few tenants in any household size group exceeded the overall median (Table 17). In total, 85 per cent of Cityhome tenants had incomes less than the city-wide median. This is down from the 88 per cent calculated in 1980, but still well above the 80 per cent target. However, other evidence indicates there is no cause for complacency. The performance in various Cityhome household size groupings, relative to estimated City medians in each category, is mixed (Table 18). The 1982 median incomes estimated for the City as a whole are as follows:

one person	- $14,623
two persons	- 25,720
three/four persons	- 29,250
five/six persons	- 34,960
seven or more persons	- 43,170

Adjusting by household sizes, almost 77 per cent of Cityhome tenants earn less than the median, including 58 per cent of market tenants and more than 99 per cent of RGI tenants. (The fact that any RGI households at all earn more than the median is attributable to the shallow supplements required by a few people in some of the relatively expensive apartments.) The biggest factor in pushing down all these ratios is the presence of single persons in one bedroom units which are comparatively expensive. The income profile of Cityhome tenants is generally rising, mainly due to the influence of newer projects with larger units and higher rents, which in turn demand higher incomes.

Although Cityhome tenants, in the aggregate, fall well within the income target, the legitimacy of the target itself should be questioned. It is more difficult

TABLE 13
Cityhome Tenants:
1982 Sample Data Compared with Actual Unit Distribution

Unit Type	Market				R.G.I.			
	Sample		Actual		Sample		Actual	
	#	%	#	%	#	%	#	%
Room	73	4.5	99	4.5	49	3.8	57	3.9
Bedsitting Room	52	3.2	76	3.4	39	3.0	43	2.9
Bachelor	268	16.4	354	15.9	230	17.7	252	17.1
Studio	77	4.7	96	4.3	94	7.2	106	7.2
Jr. One Bedroom	69	4.2	96	4.3	43	3.3	43	2.9
One Bedroom	498	30.5	685	30.8	313	24.1	361	24.4
Two Bedroom	428	26.2	565	25.4	220	16.9	250	16.9
Three Bedroom	149	9.1	222	10.0	262	20.2	300	20.3
Four Bedroom	21	1.3	26	1.2	36	2.8	47	3.2
Five Bedroom	—	—	5	0.2	11	0.8	14	0.9
Six Bedroom	—	—	—	—	2	0.2	4	0.3
Total	1,635	100.1	2,224	100.0	1,299	100.0	1,477	100.0

Source: City of Toronto Housing Department, 1983

TABLE 14
Cityhome Tenants: Average Number of Persons by Type of Unit, 1982

Unit Type	Persons Per Household		
	Market	RGI	All
Room	1.01	1.00	1.01
Bedsitting Room	1.15	1.05	1.11
Bachelor	1.10	1.01	1.06
Studio	1.08	1.01	1.04
Junior One Bedroom	1.42	1.05	1.29
One Bedroom	1.50	1.43	1.48
Two Bedroom	2.60	2.62	2.60
Three Bedroom	3.71	4.00	3.88
Four Bedroom	4.38	5.58	5.09
Five Bedroom	—	7.55	7.55
Six Bedroom	—	10.00	10.00
All	1.91	2.18	2.01

Source: City of Toronto Housing Department, 1983

to estimate the overall City median than to project the medians within individual household sizes, in that the former requires more extreme assumptions. More importantly, changes in Cityhome's own performance relative to a single income target may be attributable to nothing other than a shift in unit mix. Any reformulation of targets should be based on household sizes.

Additionally, the distribution of RGI units is not necessarily even across unit types, because of design constraints or eligibility restrictions. For instance, a small project or one with many unit types having a wide range of rents may not permit RGI units to be selected so as to represent one quarter of each unit type. A project with a high proportion of small units may also have an uneven distribution of RGI allocations because of restrictions on the eligibility of single people.

It would be logical to establish targets for the market units only. Of course, if any objections are raised about income mix or the presence of too many high incomes, the problem will have arisen from the market units anyway. A suitable target would be 50 per cent of all market tenants, adjusted by household size, judged against the City-wide median for each household size group. That is, the signal for a more concerted effort to directly control tenant incomes would be the observation that one-half of all tenants have incomes less than the respective medians for their household size groups in the Toronto population at large.

Rent-to-Income Ratios

No matter which target is adopted, it is going to be extremely difficult to control the incomes of tenants unless rents can also be controlled. As in the private market, Cityhome tenants select accommodation that corresponds to their income limits. If they can afford better then they will normally look elsewhere, although some Cityhome projects do offer unique locational advantages. With the private rental market as tight as it has been, there has been some demand from a wider range of tenants than would otherwise occur.

The best indicator of the room to maneuver on the income front without actually changing rents is the range of rent-to-income ratios currently experienced by tenants (Table 19). Generally speaking, the majority of tenants fall within a fairly tight band, paying between 20 and 30 per cent of income for their rent to Cityhome. Market tenants pay both less and more of their incomes than do RGI tenants, reflecting the use of scales for RGI tenants which establish a restricted range of permissible rent payments. In fact, the rent-to-income ratios in market units run up to almost 400 per cent, in cases where students have their rents paid by their parents.

There are relatively few tenants who pay a sufficiently low proportion of their income that they represent any serious opportunity for controls. Surcharges, for instance, would quickly contribute to affordability and vacancy problems. Outright exclusion of higher income households simply would have little impact on the overall tenant composition.

Income Controls: Needs and Options

While there is no serious "abuse" of subsidies channelled through Cityhome (that is, no significant number of households with extraordinarily high incomes paying a small share for their accommodation), the important question is whether or not subsidies are used the way they were intended - to serve primarily low and moderate income households. The income data cited above demonstrate that that is still the case. But what is observed at an aggregate level does not necessarily apply in individual projects.

If a non-profit project is successful in housing low and moderate income families and individuals, then the income profile should be fairly smooth, with all income categories below the median represented, and declining representation in the higher income bands. If market rents are high enough to require incomes pushing above the median, then a polarization effect will commence, and there will be gaps in the income profile between low income RGI tenants and higher income market tenants.

In most projects, the income distribution indeed has the desired structure, but some cause for concern does exist. For instance, in 1884 Davenport, a noticeable dip occurs between $10,000 and $12,500. In Holly Park, a dip is observed between $12,500 and $15,000 and again between $20,000 and $22,500. In the first phase of Frankel/Lambert, there is a pronounced

TABLE 15
Cityhome Tenants: Household Relationships - Percentage in Specified Categories, 1982

Category	Market	RGI	All
Single Male	28.5	22.1	26.0
Single Female	20.8	27.4	23.4
Married	35.5	20.9	29.7
Single Parent/Male-led	1.3	1.1	1.2
Single Parent/Female-led	4.9	25.0	12.9
Sharing - Male	1.7	—	1.0
Sharing - Female	1.6	0.2	1.0
Extended Family	4.9	3.2	4.2
Other	0.8	0.2	0.5
	100.0	100.1	99.9

Source: City of Toronto Housing Department, 1983

TABLE 16
Comparison of Average Incomes in Cityhome and the Metro Toronto Housing Authority, By Household Size, 1982

Number of Persons Per Household	Cityhome Rent Geared to Income Units	MTHA Public Housing Units
One	$ 5,337	$ 6,410
Two	8,441	9,343
Three	10,120	10,373
Four	11,819	12,116
Five	12,781	13,787
Six	13,417	14,791
Seven or more	14,197	15,568
All	8,014	10,070

Source:
City of Toronto Housing Department, 1983, from Cityhome tenant files and statistics released by MTHA and the Housing Policy and Development Branch of the Ministry of Municipal Affairs and Housing.

TABLE 17
Cityhome Tenants: Quartile Income Distribution by Household Size, 1982

No. of Persons Per Household	Quartile Division		
	First/Second	Second/Third Median	Third/Fourth
1	$4,368	$8,496	$15,600
2	9,228	17,328	26,396
3	9,960	17,844	26,397
4	9,096	17,255	24,959
5	9,851	15,864	24,900
6	9,252	13,167	19,559
7	11,498	15,584	32,321
All	6,248	12,900	20,640

Notes: Quartiles combine tenants into four groups of equal size, by income. For example, the cut-off between the first and second quartiles separates the bottom 25 per cent from the second lowest 25 per cent; the cut-off between the second and third quartiles is the median, where half of tenants have lower incomes and half have higher incomes.

Incomes for households with more than 7 persons have not been broken down because there are so few in these categories that confidentiality would be compromised.

Source: City of Toronto Housing Department, 1983

TABLE 18
Cityhome Tenants: Percentage of Tenants Earning Less than Estimated City Median Incomes by Household Size, 1982

Household Type	Number of Persons per Household				
	One	Two	Three/Four	Five/Six	Seven or More
Market	50.9	61.4	65.4	80.4	71.4
RGI	98.9	100.0	99.6	100.0	100.0
All	71.0	74.1	80.6	92.5	90.9

Source: City of Toronto Housing Department, 1983

gap between $20,000 and $30,000. In these projects, the evidence of irregular income distribution is noticeable even at the aggregate level. However, in combining household types, such aggregation may mask polarization effects that do exist.

Looking more closely at project level income distribution by household size, to eliminate any artificial "smoothing" effect that combining all household sizes might produce, one finds that in 176 The Esplanade there are almost no one-person households between $5,000 and $10,000, that there is a dip between $7,500 and $12,500 in the two-person category, and that three-person households are relatively scarce in the $10,000 to $15,000 bracket. In Winchester Square, one-person households are poorly represented in the $5,000 to $10,000 range. Other projects are generally too small to be able to reliably detect this type of income gap within individual household size groups.

Without dwelling on the numbers, the projects where there appear to be at least the beginnings of an income polarization problem are among those with the highest rents, both the most recent of the "old" program projects and one or two new projects with high market rents. Still, the real problem is yet to come. Looking at 1,324 units in the bulk of projects sponsored under the Section 56.1 program, which are now under management or which will be completed in 1983 or 1984 and have received preliminary rent approval, one finds that the diversity in rents is growing. This is a direct consequence of the introduction of projects into a wide variety of locations (and hence a greater range in markets used for rent-setting purposes). As these new projects come on stream in 1983 and 1984, the diversity of rents and required incomes will greatly increase (Table 20). Cityhome will be dealing with very different tenants than in the past.

In 1984, one-person households in the City are forecast to have a median income on the order of $17,000, two-person households around $30,000, three/four-person households about $34,000, and five/six-person households approximately $41,000. On average, Cityhome's new projects should still serve low and moderate income households.

The top end of the rental ranges tells a different story, especially in the downtown projects: Mutual Street, Elm Street, Asquith Park, and Chestnut/Elizabeth - the 535 units in these projects, to be followed by others, will soon be an important part of the Cityhome portfolio. With rents set on the basis of very expensive private apartments in prime locations, even adjusting for a lower amenity level in Cityhome, Cityhome's downtown apartments will generally not be affordable to moderate income households and marketing options will be severely restricted.

To the extent that newer, higher rent projects affect Cityhome's overall tenant income distribution, Council and the Board of Directors may want to implement some type of controls to improve the overall picture. However, the real problem will continue to be one of the new projects not fulfilling their complete function as social housing. Initial consideration of any change in tenant selection procedures would most productively be directed to these projects specifically.

The rest of this section outlines various alternatives to help projects serve their proper clientele. In terms of direct controls which might be exercised to influence tenant composition, one can act either on rents or on incomes directly. Reducing rents in some way will of course require additional subsidies, but would achieve the greatest results. If rents cannot be changed in any way, then incomes, or more realistically, rent-to-income ratios could be restricted. As discussed in more detail below, this would impose some serious administrative and marketing problems. One is forced to the conclusion that the real options are few unless extra assistance is forthcoming.

Ideally, the best solution would be for the Federal and/or Provincial Governments to agree to assistance that could be used to house more tenants on a shallow subsidy basis. The extra tenants could be selected to create a smooth income distribution, (avoiding polarization problems), and would themselves pay according to their incomes. This approach could take advantage of all the existing financial and bureaucratic processes and would therefore be fairly easy to administer.

Concessions on the number of RGI households may not be politically acceptable in some municipalities, which are quite content with current provisions. Certainly, the Ministry of Municipal Affairs and Housing has consistently refused to consider any increase. The Association of Municipalities of Ontario has proposed that, where rents in new projects are above pre-determined cut-offs affordable to moderate income households, fixed subsidies be provided to reduce rents by a flat amount. Tenants would not be administered on a geared-to-income basis, but income checks would be conducted to target specially subsidized units to appropriate groups. This is a good compromise, which lets the Ministry easily estimate and limit its subsidies, while at the same time permitting non-profit agencies to house a full range of incomes. The subsidies involved would still be minor measured against federal contributions to the non-profit housing program, and would achieve a more desirable level of social integration, respecting program objectives.

Without some type of assistance to hold down rents, the low-end-of-market (LEM) rent-setting process will inevitably see downtown units priced around $200 higher than comparable Cityhome apartments in more distant parts of the City. Tenants will require $8,000 extra income just to cover this locational premium. This requirement alone is enough to open a gap in a project's income mix, between RGI and market tenants. Such a gap could stigmatize low income tenants as much as any segregated project. Given the downtown locations of the projects in question, they will likely attract more attention than usual from higher income households, potentially polarizing incomes more than their rents alone would justify. To the extent that this effect occurs, Cityhome may find it advisable to intervene or modify tenant selection pro-

TABLE 19
Cityhome Tenants: Distribution of Rent-to-Income Ratios for Middle 50 Percent of Tenants by Household Size, 1982

Number of Persons Per Household	Market	RGI	All
1	21-36%	22-27%	21-31%
2	17-29	24-28	19-29
3	18-31	24-28	20-29
4	18-28	24-27	20-27
5	19-32	24-27	23-28
6	13-42	23-30	22-31
7	11-25	22-26	17-25
All	19-32	23-27	21-30

Notes: Figures give range of percentage of income paid for rent such that one-half of all tenants in each category fall in indicated range; eg. one-half of one-person market households pay between 21 and 36 per cent of income for rent.

Information on households with more than seven persons withheld for reasons of confidentiality.

Source: City of Toronto Housing Department, 1983.

TABLE 20
Rents and Required Incomes in New Cityhome Projects Forecast to 1984

Unit Type	Average Rent	Required Income	Range of Rents	Required Incomes
Bachelor	$351	$14,040	$323-402	$12,920-16,080
One Bed	482	19,280	384-646	15,360-25,840
Two Bed	557	22,280	447-772	17,880-30,880
Three Bed	681	27,240	591-880	23,640-35,200
Four Bed	732	29,280	717-808	28,680-32,320

Notes: Rents for 1,324 units in 15 projects used to produce table are projected for existing projects built under N.H.A. Section 56.1 and are taken from approved preliminary rents for projects not yet completed. Required income figures assume a 30 per cent rent-to-income ratio.

Source: City of Toronto Housing Department, 1983

cedures, whether or not additional subsidies are provided to allow more low and moderate income tenants to be housed. Without such subsidies, this intervention would appear unavoidable. The practical solutions are few.

Surcharges on higher income tenants do not represent a viable option. More than any other measure, surcharges would encourage fraudulent income statements, hamper marketing, and antagonize tenant relations. Income verification would be far more difficult than for RGI tenants. A more fundamental difficulty would relate to raising rents from the low-end-of-market without creating vacancies, increasing turnover and jeopardizing revenues. Vacancies should be avoided, not because of revenue losses, but because it would be reprehensible for a social housing agency to have vacant units while there is such a great need for housing.

The term low-end-of-market is a bit of a euphemism. In fact, in most cities, LEM rents are close to the top end. They are based on newer, private accommodation and are much higher than rents in the older housing stock. As can be shown in private projects in Toronto, there are thresholds to the rents that people will pay. Cooperative and municipal projects elsewhere are already finding this out to their chagrin, and require further subsidies to offset vacancy losses. Indeed, the leasing of Cityhome's own Brunswick/Howland/Albany project, which has the highest rents of any Cityhome project now under management (even though properly set according to LEM criteria), took considerably longer than usual. A loosening of the market would spell disaster for buildings now having higher rents.

A second option in tenant selection is to establish outright income restrictions. These could be based on outside standards, such as the aggregate City income distribution or the income required to handle ownership housing in the community. But this type of restriction would still complicate marketing and contribute to vacancy costs. Verification of incomes would be expensive. Would income increases be monitored? There is nothing that can be done with tenants in place whose incomes rise beyond the limits placed on new tenants, creating an inequity between the two groups. The most difficult question would be what to do with units having rents requiring incomes above the specified limits. Other housing agencies with such restrictions have had no choice but to ignore them at times.

A more reasonable basis for income limits would be an allowable range of rent-to-income ratios. Although this would avoid the problem of having too-high rents with too-low income cut-offs, most of the other difficulties cited above would still exist. For example, Cityhome's St. Lawrence townhouse project has been the only one where market tenants were initially selected on the basis of meeting rent-to-income ratios specified by Council. The rental of the seven market units took about one week, an extraordinarily long time compared with the normal experience. Although systematic procedures would streamline the process, there is no question that marketing will be considerably delayed with the imposition of any explicit limits on income. The 1982 tenant survey revealed that some household incomes in the St. Lawrence townhouses have already increased above the prescribed limits, so that inequities would definitely arise if subsequent tenants were subject to corresponding restrictions.

The most realistic step that Cityhome can undertake unilaterally to influence the income composition of tenants in new projects is to facilitate a more rigorous screening and priorization of applicants for market units. Departmental advances in computer systems development should permit the maintenance of a market waiting list for downtown projects that, unlike previous efforts, could be used to order applicants according to incomes, matching household composition to unit size requirements, and to refer applicants who more likely will still be interested in moving to the project in question.

Even the modest measure of setting up market waiting lists will add to project and Housing Department operating costs. The rental process will take longer, and extra losses will have to be built into project budgets which could possibly exceed accepted guidelines. Applicants who are selected may not be able to move in as quickly as has been the case with current procedures, and that too will inflate operating deficits. There is no way that existing Departmental staff can take on the workload associated with setting up, maintaining, and making referrals from project-specific waiting lists. This type of administrative overhead cannot now be charged against projects. In fact, there is some doubt that the maximum permitted administration expenses are adequate for present purposes. If the Board of Directors or Council wishes to take the step of attempting to keep incomes in new projects as low as possible, a market waiting list holds the most promise, but the Housing Department may need more staff to do the job.

Recommendations

That the Cityhome Board of Directors endorse the continued use of current RGI waiting list procedures as a cost-effective means of selecting needy households, and so advise the Ministry of Municipal Affairs and Housing.

That Council revise the income target intended to trigger a program review and possible changes in tenant selection procedures to: 50 per cent of all market households below estimated respective City medians for their respective household size groups.

That Council advise the Minister Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing that it is concerned that current policies regarding the establishment of low-end-of-market rents in municipal non-profit housing projects prevent those projects from effectively serving the intended client group of low and moderate income households.

That Council request the Minister of Municipal Affairs and Housing to provide shallow subsidies for municipal non-profit housing projects to reduce rents to levels affordable to moderate income households, subject to the imposition of appropriate income restrictions.

That the Cityhome Board of Directors endorse the use of a market waiting list for new projects in locations commanding higher rents, so that, at initial rent-up, and thereafter as vacancies occur, tenants with the lowest possible incomes may be selected.

Brunswick/Howland/Albany

5 Programs Still Searching for Policies

The preceding chapters describe a spectrum of housing problems confronting low and moderate income earners - problems that municipalities must deal with directly. The City of Toronto has assumed considerable financial obligations and risks in addressing needs not adequately met by the many programs that have been developed in recent years. Cityhome is consequently engaged in a broad range of social housing and related responsibilities which go beyond the bounds of the non-profit program.

The fact that the present housing programs ignore some of the realities facing municipalities is a cause for grave concern, because it places upon the City a heavy social and financial burden. It is, therefore, imperative that the other levels of government become aware of these problems and initiate a coordination process, program changes, and innovations to deal with them; otherwise, the needs expressed will not be dealt with or, at least, dealt with in an unsatisfactory, ad hoc manner. What follows in this chapter is a brief discussion of these problems and how they are or might be tackled.

Housing Policy Needs

There are very definite conflicts between objectives now built into the non-profit housing programs. An unambiguous statement of policies is needed, at the very least, to make it clear whom the programs are intended to serve. Groups face a difficult juggling act balancing income integration and the stated objective of providing accommodation suitable for low and moderate income households. This is becoming a troublesome issue as rents, set at market levels under terms of the current program, are sometimes so high that they preclude households in the target income brackets. As Chapter 4 details, in Cityhome's downtown projects, the rent structure is producing a polarized tenant profile: low income tenants in receipt of RGI assistance and higher income tenants capable of paying fairly steep market rents, with nobody in between.

To date, the Federal and Provincial Governments do not seem overly concerned about the increasing inability of non-profit agencies to reconcile objectives with regard to occupant selection. It will be interesting to see how the federal evaluation of the program now underway will assess agency performance in the absence of clear priorities against which success can be measured. Many groups, including municipalities across Ontario, are expressing serious reservations about their involvement in a program which they understand is supposed to help them deal with the shortage of affordable housing, but which turns out to have some significant limitations in this regard. These agencies are concerned that the non-profit programs are in fact serving people they were not intended to serve, nor should serve.

Without additional assistance to ensure that rents in social housing are affordable to low and moderate income households, municipal housing corporations will face tough policy choices, likely leading to more stringent occupancy controls that will be both increasingly costly and irrelevant. The Federal Government and, to a much lesser degree, the Provincial Government, are subsidizing a program about which there seems to be no consensus as to fundamental goals. A reluctance to incur further subsidies is understandable, but from a local perspective, that reluctance must be overcome to let the municipal non-profit housing program serve the group of clients the municipality believes it ought to serve, and for whose benefit the Federal Government introduced the program.

This is not to say that municipalities can honestly expect to avoid any financial commitment to their citizens' housing needs. Indeed, one could argue that the City of Toronto is already doing more than its share. The non-profit program, after all, does not formally call for any municipal contributions whatsoever.

In Toronto, because of the large and sustained demand for assisted housing and because suitable sites are few and far between, the magnitude of risk associated with the City's assumption of front end costs for Cityhome is greater than in most municipalities. The City's revolving landbanking accounts allow the Housing Department to negotiate site acquisitions and hold them until a mortgage can be secured, at which time the City can be compensated for its costs, and construction can begin. In the case of prospective projects which have failed to proceed, the City has been fortunate to resell the sites at a price high enough to avoid losses, but it is important to note that the City, not the Province, is taking on the financial risk.

Similarly, the Housing Department Operating Budget provides for "preliminary development" expenses to cover consultant and similar costs for which no help is provided in the early days of project planning. Council recently agreed to the idea of equity contributions, writing down land costs to bring sites within program price limits. The risk that these municipal expenditures might not be recovered is very real, especially in view of this year's reduction in allocations.

A coordinated long term planning process for housing programs is essential to municipalities. After all, residential development itself is a lengthy pro-

cess. The present allocation process does not fit well into this system and does a disservice not only to social housing, but to the stability of financial markets and construction employment, both of which could benefit from predictable social housing activities. The Federal and Provincial Governments should implement a three-to-five year allocation system to minimize municipal financial risks and other adverse effects of current procedures.

Differing perceptions about who should be contributing what to the municipal non-profit housing program, and indeed about the very intent and nature of the program, are symptomatic of the absence of a coherent overall housing policy framework. This report cannot presume to lay out priorities for government expenditures on housing, since the requisite policy framework is not in place and would itself arise only from protracted political negotiations. Certainly, comprehensive policies must deal with a wide scope of problems, resulting in dollars being put into a variety of programs catering to many needs. However, one can assume that any reasonable guidelines must, as Council has, recognize the increasing hardships experienced at the bottom end of the income scale, and as a consequence give some preference to programs maintaining or producing housing affordable to that group.

Consistent reference to a policy framework according priority to those most in need could evaluate new programs against that priority. Particularly in a period of economic recession and government restraint, programs that measure up well in terms of helping low income households should be funded more heavily than programs that, all other things being equal, are less effective in serving the poor.

The first step in coming up with meaningful housing policies will be for all levels of government to meet and define essential, attainable objectives. This done, there should be detailed consultation on specific goals, target setting, and implementation strategies. A vital part of the process, and one which depends in the first instance upon having consistent and understandable policy guidelines in place, will be the incorporation of a mechanism to monitor and evaluate the results of specific programs.

The very act of sitting down to discuss the housing goals of different levels of government should help to broaden individual perceptions, whether or not a consensus can be reached. An important product of this exercise would be a thorough review of the instruments used by each government level, and the way those tools are used to promote their own objectives. A better appreciation of the regulations and practices of all jurisdictions and agencies will at least facilitate program design, in that governments which proceed unilaterally or jointly will recognize interactions at play in the housing market. They can then circumvent obstacles or capitalize on other initiatives accordingly. As an example, consider Cityhome's recent successes in downtown Toronto.

As noted in the previous chapter, Cityhome is now actively building projects in the core of Toronto. This has been done partly through negotiations with private developers, whereby the City makes planning concessions in exchange for some mechanism to permit downtown housing within CMHC's Maximum Unit Price (MUP) limits. CMHC has not been willing to adjust MUP's to reflect the higher costs of downtown development. The City's own efforts yield CMHC far more for its subsidies, in terms of the value of the public investment, than comparable expenditures outside of the downtown. Accordingly, it would be appropriate to establish extra allocations or some means of ordering the priority of allocations to give weight to municipal incentives working in conjunction with federal social housing programs.

The need for coordinated housing policy development extends beyond the normal confines of housing supply programs. As we saw in Chapter 3, and as the next section of this chapter describes in more detail, Cityhome is more and more frequently being forced to cope with policies and programs in the community services field, and to integrate those with its own development activities. The interdependence of housing and such things as services for the elderly and disabled, daycare, education, and recreation should be recognized and reflected in policies and programs that reinforce rather than negate or simply ignore each other.

Housing and Human Services

A great deal of Chapter 3's discussion of the progress in various projects dealt with problems outside the conventional confines of the municipal non-profit housing program. These problems could be described as concerning two groups: the homeless and those who need more than just a place to live. Cityhome itself is not well equipped to cope with the needs of such households, but staff are learning quickly. It is with these clients that the "social" side of the City's social housing efforts takes on great importance, and successful coordination of non-conventional support services is crucial.

Housing the Homeless

The extraordinary efforts devoted to the establishment of emergency housing in 1982, by both the public and voluntary sectors, was largely a response to the surprising and overwhelming crush on the existing services experienced in the winter of 1981/1982. To the credit of all concerned, by the end of 1982, 1,825 beds were in operation and being subsidized by Metro, up over 50 per cent from a year before. The City of Toronto did more than its share, in setting up the St. Lawrence Street hostel and arranging for the expansion of the 349 George Street hostel, thus increasing three-fold the supply of City-owned hostel beds.

Over the winter of 1982/1983, vacancy rates in emergency housing facilities were averaging a far more satisfactory five to ten per cent: a welcome change from the unsafe and overcrowded conditions which prevailed the previous year, although the City's own hostels were filled to capacity. A Metro Planning

survey conducted in the summer of 1982, as part of Metro's assisted housing needs study, showed continued demand in this area. The bottom line of the survey research was an estimate of 3,400 homeless in Metropolitan Toronto in 1982, including 1,600 who used hostel accommodation and 1,800 others known to social service agencies but not using the hostels.

There have been some disturbing changes in the clientele of emergency shelters. The Metro survey found that most of the hostel users in 1982 were young, unemployed, single males, having no special problems (such as the alcoholism commonly associated with hostel residents in the past). Just over one-half of the residents surveyed had previously lived in private rental accommodation - mostly in rooming houses. Their reliance on hostels is a reflection of the falling number and increasing cost of rooms.

Most of the younger males in hostels need little more than a decent place to stay while they look for jobs. Hostels can sometimes fulfill this function, but these people would be better served by rooms or similar housing which could provide a solid base from which to conduct job searches, and they should ideally have ready access to employment counselling.

The problematic clients whom hostel operators saw in alarming numbers in 1982 were families evicted for economic reasons, battered women (often with children), and discharged psychiatric patients. For some, especially the battered women, volunteer groups were able to provide a modicum of special aid. But for most people in these groups , neither the emergency housing nor the extra assistance chanelled through that housing were adequate. One woman's hostel, for instance, reported that 40 per cent of its residents had a recent history of psychiatric care, and almost all of these women required post-psychiatric care beyond the capabilities of agency staff.

Many of the services required by those forced into hostels - employment counselling, help finding permanent accommodation, personal care and so on - could most efficiently be provided in conjunction with their housing. But the housing assistance itself is minimal, chanelling very limited subsidies to very temporary living arrangements which all too often become permanent, without the space, privacy and dignity usually involved. The funding is not available for better housing, let alone accompanying support.

More than Housing from Cityhome

Cityhome is in the permanent housing business. To the extent that Cityhome is able to cope with the needs of those who would otherwise be forced into emergency housing, it can offset some of the transfer of responsibility which has occurred at senior government levels. The problem is that Cityhome's hands are severely tied by restrictions within the municipal non-profit program.

Able-bodied, non-senior individuals are not eligible for RGI assistance, and non-RGI rents are too high for low income households. The City is being forced to assume responsibilities, without aid from higher levels of government, to provide its own hostels and direct subsidies for Cityhome's rooming houses.

If the Federal and Provincial Governments are not forthcoming with programs to create short-stay housing, then the alternative is for them to extend the terms of assistance under the present non-profit programs and to let municipal and other social housing agencies respond through the delivery of appropriate permanent housing. Although it would be redundant to repeat formal recommendations, it may be helpful to summarize the changes needed to enable Cityhome and other groups to take appropriate steps in providing such housing:

- allow more than 25 per cent RGI units where neighbourhood circumstances warrant;
- expand RGI eligibility criteria to encompass younger singles and couples;
- explicitly permit the creation of new rooming houses or the acquisition of existing rooming houses;
- provide subsidies for rooms commensurate with rates affordable to most of their clientele, rather than pegging rates arbitrarily under program regulations; and
- provide the allocations necessary to achieve a meaningful increase in the capacity of groups to deal effectively with both temporary and permanent housing needs.

The municipal non-profit housing program is proving to have some flexibility in meeting broader social needs. But there are some problems, best illustrated by looking at cases where the Cityhome umbrella has already been used to cover more than just the building of rooves over heads. Cityhome's 25 Elm Street and 139 Stephenson projects are illustrative in this regard. In each of these projects, an outside community or charitably based organization is securing financing and will itself provide personal support services for tenants who will live in units designed by Cityhome to meet their particular needs. The non-profit program has been flexible enough to permit the fairly drastic physical modification required, but in no way does the program cover the extraordinary management costs associated with meeting the day-to-day requirements of the elderly and disabled persons in question.

It is unrealistic to expect Cityhome (even if funds permitted) to deliver the necessary support services for tenants with special needs. The expertise is not there, and could not be efficiently developed to deal with a limited number of projects. But the skills do exist in other agencies and should be used. The difficulty is to co-ordinate the housing and support services in a timely manner. Cityhome needs solid assurances early in planning before substantial design changes can be contemplated, but most support service funding commitments are formalized only for existing projects, and are not given very far in advance. With three provincial ministries (Community and Social Services, Health, and Municipal Affairs and Housing) providing most of the approvals related to both components of such special purpose housing,

the Province should be exerting leadership in co-ordinating efforts to provide good housing with adequate support for those unable to live totally independently, for whom institutions should be seen only as a last resort. Provincial deinstitutionalization efforts should be part of a program providing suitable, affordable housing.

With guaranteed, co-ordinated support services, Cityhome would not have to worry about taking on tenants to whom the Corporation itself could not provide adequate service. But a number of policy concerns would still have to be resolved. The number of specially dedicated units allowed in any one project will require further consideration. The five per cent handicapped units called for in program guidelines may not provide enough units to justify support funding. The special apartments called for in Elm Street, for instance, represent 15 per cent of the project. Too many such units could overly concentrate affected individuals and deny them the integration they seek. On the other hand, there is no questioning the enormous need. There are many opinions as to the concentration and physical distribution of such individuals within a project, with no research or consensus to effectively guide planning and design. Cityhome is in fact pioneering in this area and using the best information from the widest possible sources to make its decisions.

In contrast to conventional handicapped suites, which are increasingly encountering marketing problems, the demand for support care residences seems inexhaustible. Of course, the extent of needs is academic when tight funding severely limits the number of new projects. Again, subsidy restrictions highlight the importance to Cityhome of obtaining early confirmation of support funding commitments.

The concern about special purpose units in relation to the limited RGI allocation was raised in a previous discussion of Elm Street. The Ministry of Municipal Affairs and Housing, by refusing to raise the 25 per cent RGI limit, has hindered the integration of people especially desirous of it. Unless special purpose housing can be incorporated into municipal projects without undue impact on standard waiting list priorities, there will be considerable reluctance to reserve any units.

Recommendations

That Council urge the Minister Responsible for the Canada Mortgage and Housing Corporation to establish clear, consistent objectives for the municipal non-profit housing program, and that Council advise the Minister in this regard that Council's top priority is to maintain the program as one suitable for the housing needs of low and moderate income families and individuals.

That Council request the Minister Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing to revise the social housing allocation process by making forward commitments for three years within five year plans.

That Council request the Minster Responsible for the Canada Mortgage and Housing Corporation and the Minister of Municipal Affairs and Housing to recognize that municipal non-profit housing corporations are *social* housing agencies, and that the Ministers be urged to support the extension of the program to address broader social needs which can be helped with or through non-profit housing.

That Council urge the Provincial Government to adopt a co-ordinating function with regard to provincial financial assistance given to organizations providing personal support services for the disabled, in conjunction with the approval and contractual arrangements for non-profit housing projects intended to accommodate the clients of such organizations.

That Council request the Minister of Municipal Affairs and Housing to permit, in a municipal non-profit family housing project, up to 50 per cent of those units reserved exclusively for senior citizens and up to 100 per cent of those units reserved exclusively for the disabled to be administered on a rent-geared-to-income (RGI) basis, without affecting the RGI allocation otherwise available to conventional apartments in the same project.

That the Cityhome Board of Directors not consider setting aside any units for agencies providing personal support services for tenants unless the funding or other arrangements for the agency are such that Cityhome's RGI tenant selection procedures will not be adversely affected or unless the Ministry of Municipal Affairs and Housing is prepared to increase the RGI allocation for the units in question.

55 The Esplanade

6 Cityhome — Management and Administration

The Portfolio

With many completions in 1982, the Cityhome portfolio has become one of the largest single rental holdings in the area. Projects scheduled for occupancy in 1983 will add another 685 units. This will bring the Cityhome portfolio to a total of more than 4,500 units, representing three per cent of the rental stock in the City (Table 21). Tables 22 and 23 show the types of units under management, and their distribution by municipal ward. The accompanying map depicts the location of these projects (Figure 6).

The proportion of one and two bedroom units in the portfolio has increased at the expense of other unit types. This reflects the demand, from both market and rent-geared-to-income (RGI) households, for smaller units.

The dominance of Wards 6 and 7 in the distribution of Cityhome accommodation became even more pronounced in 1982. These two wards had 63 per cent of all units under management at year end, up from 57 per cent of the year before. Wards 6 and 7 were leaders in both new construction and acquisitions: 60 per cent of all units and acquired houses or apartment buildings, and 64 per cent of all newly built units were in these wards. There may be a modest reversal of this trend in the coming months, with major projects underway in Wards 8 and 10.

Cityhome Finances

A portfolio the size of Cityhome's involves a lot of money. Indeed, many of the questions asked of Cityhome by other municipalities exploring non-profit possibilities concern asset accumulation, debts, and cash flow. Cityhome is catching up in its audited financial reports. While the 1982 audited statement, to be produced in the spring of 1983, comes too late for this report, the 1981 audits were made available at the end of 1982. A condensation provides a useful indication of the scope of Cityhome's management operations.

At the end of 1981, Cityhome assets stood at over $129 million, including almost $120 million in the book value of projects with committed mortgages (Table 24). With a substantial surplus built up over 1981, the corporation's earlier deficit was turned around. Table 25 shows that rents paid directly by tenants constituted the majority of revenues, but the higher subsidies going into new projects suggest that receipts from governments could be given more prominence in the future. Property taxes, imposing more on the Corporation than any other single cost except mortgage retirement, exhibited an extremely sharp increase as new properties came on stream and as assessments were formally established for buildings under management for some time. Utility costs, over one-half of which were attributable to hydro charges, also showed a steep rise largely beyond the control of Cityhome.

Still, in spite of high increases in some specific categories, rents in general in the portfolio showed considerably more restraint in 1982 than in 1981. In just those projects sponsored under the "old" non-profit program projects (based on pass-through of costs), the 1981 increase was 14.9 per cent. In those same projects, the 1982 adjustment averaged only 7.6 per cent. This compares with 7.0 per cent in the "new" program projects, where rents are adjusted according to observed increases in surrounding private accommodation. The estimated average increase for 1983 in the older projects is further reduced to 5.5 per cent, while the newer projects will probably see an average increase on the order of 7.5 per cent. Cityhome is able to pass along the benefits of recently subsiding cost increases to most of its tenants - the residents of older projects. But as the private sector accelerates its own rent increases, to make up for past "losses", Cityhome's newer projects are forced to keep pace.

Unionization

Cityhome site staff were unionized in 1982. After many months of negotiations, a Memorandum of Understanding was signed in September, terminating December 31, 1983. Approximately 50 site staff members, including non-residential superintendents and cleaners, now belong to C.U.P.E. Local No. 43. They receive benefits comparable to City employees, with the exception of long term disability and pension provisions, and they were awarded a five per cent increase with the contract.

In August, October, and November, 1982, meetings took place with representatives of tenants' associations to discuss site staff unionization and the impact of unionization on their projects. Concerns raised by the associations included possible increases in rent, loss of part-time positions, and reductions of actual duties performed by site staff. The Memorandum of Understanding was discussed and job descriptions were reviewed. Tenants' representatives made suggestions for job description changes.

The full impact of unionization remains to be seen. To hold total costs in line, there have been some changes. Previously, even some of the smallest projects had residents hired part-time to provide care-

taking services and the like. These part-time positions have been eliminated under the contract and arrangements have been made for full-time staff to visit a number of projects on a scheduled basis. Hopefully this can be accomplished without any deterioration in maintenance standards, but complaints about emergency service are inevitable. The whole situation will be monitored carefully, and the input of tenants' associations will be important in evaluating both financial and management implications of the staff unionization.

Tenant Relations

There are now 12 active tenants' associations: Dundas/Sherbourne, Holly Park, Symington Place, Dundas/Beverley, Winchester Square, Campbell/Antler, Collegeview, Pembroke Mews, Crombie Park, 176 The Esplanade, Scadding-Princess (at 15 Scadding), and 111 Stephenson. The last three of these were started in August and September, 1982. There are 3 operative tenants' associations which are less active: Hydro Block, Dufferin/Gwynne and Frankel/Lambert. The Frankel/Lambert Tenants' Association started in June, 1982.

The Cityhome Board of Directors approved a proposal by several associations to have a standing deputation at each Board meeting, giving the associations the opportunity to express their concerns relating to policies and other issues affecting tenants. On a rotating basis, one of the associations takes responsibility for attending the Board's meetings.

Meetings of the Association of Cityhome Tenants (ACT) were re-instituted in 1982. This group, with representatives from the active associations, discuss common goals, ideas and problems of Cityhome tenants and their associations.

A budget workshop was held in 1982 to explain the new budget format to tenants' groups, in preparation for the budget discussions with each project. Effective October, 1982, operating statements and copies of Maintenance Service Request forms have been distributed regularly to the active associations to help them monitor ongoing expenses in their own projects.

A draft of a tenant handbook was produced by the Tenant Relations staff of the Housing Department late in 1982. The draft was discussed and approved by tenants' associations, whose comments, along with those of other staff and the Board itself, were combined to produce a final version. One of the most useful parts of the handbook is an outline of the Landlord and Tenant Act in layman's language. Publication is planned for the spring of 1983.

Many issues of tenant involvement in Cityhome property management operations, and the nature of funding for tenants' associations, were raised in reports and recommendations made originally by the General Manager to the Board of Directors in June, 1982. Discussions with tenants on these issues has resulted in support and a strengthening of tenant participation. ACT has submitted a letter of support to the Board for the proposals of the General Manager, and has included some of the Association's own suggestions. In 1983, the Cityhome Board will be considering a policy framework for virtually the whole realm of tenant relations.

FIGURE 6
Cityhome Projects
(Under Management, April 1983)

1 Symington Place
2 Hydro Block
3 Dundas/Beverley
4 Collegeview
5 Holly Park
6 102 Tyndall Avenue
7 Pembroke Mews and 21-23 Pembroke Street
8 Dundas/Sherbourne
9 195-201 Logan Avenue
10 Cavell/Harcourt
11 S.S.J.T. I and S.S.J.T. II
12 257 Dundas Street East
13 3 Laxton Avenue
15 98 Hubbard Blvd.
18 331-333Kingston Road
19 Campbell/Antler
20 St. Lawrence Neighbourhood - Phase A - Crombie Park - 176 The Esplanade
21 Frankel/Lambert Neighbourhood - Phase I - 470 Melita - Townhouses
22 Dufferin/Gwynne
23 Trefann Court
24 111 Stephenson Avenue
25 61 Wales Avenue
26 Winchester Square
37 St. Lawrence Neighbourhood - Phase C - 55 The Esplanade
39 St. Lawrence Neighbourhood - Phase B- - 15 Scadding Avenue - Townhouses
41 295-299 Ontario Street
42 9-11 Balsam Avenue
45 Brunswick/Howland/Albany
46 Chatham/Oakville
49 Frankel/Lambert Neighbourhood - Phase II - Lambert Court

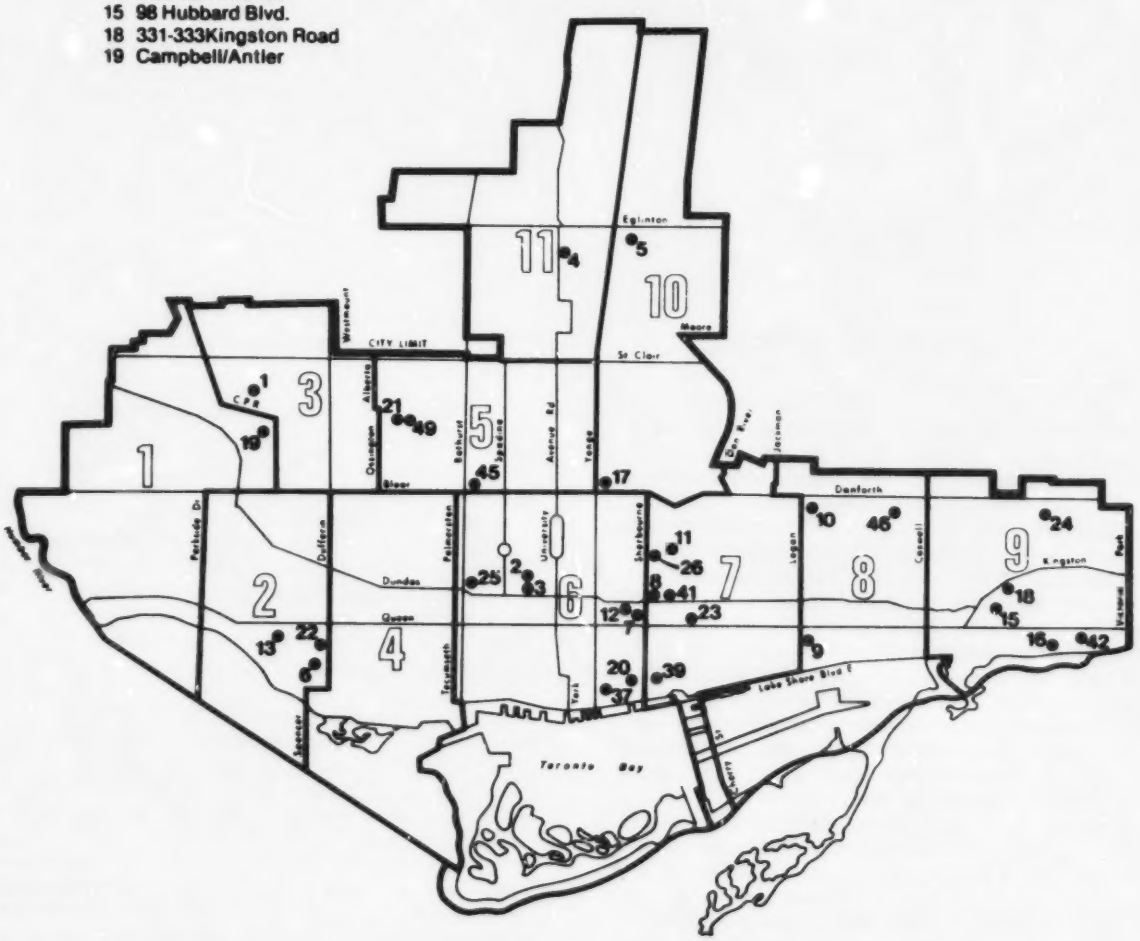


TABLE 21
Cityhome Projects and Units Annually by Date of First Occupancy or Takeover

	Acquired			Constructed		Total Units		
	Units in Houses	Number of Projects	Units in Projects	Number of Projects	Units in Projects	Existing	New	Total
1975	38	8	584	-	-	622	-	622
1976	92	5	276	2	355	990	355	1,345
1977	61	5	191	2	202	1,242	557	1,799
1978	34	3	104	4	553	1,120	1,110	2,230
1979	31	-	-	3	365	1,151	1,475	2,626
1980	8	-	-	6	550	1,081	2,025	3,106
1981	-	-	-	2	19	1,058	2,044	3,102
1982	-	1	8	6	710	1,066	2,754	3,820
1983	-	-	-	9	685	1,066	3,439	4,505

Notes: "Units" are assumed equivalent to households, so that rooms count as units. Projects with two phases or with both acquisition and new construction are split and recorded as two projects. Final columns giving "total unit" figures are cumulative and take into consideration projects which were sold in various years.

Source: City of Toronto Housing Department, 1983

TABLE 22
Unit Mix In Cityhome Projects

Unit Type	No. of Units	Percentage of Portfolio*
Beds/Rooms	349	9.1
Studio/Bachelor	829	21.7
One Bedroom	1,197	31.3
Two Bedroom	820	21.5
Three Bedroom	527	13.8
Four Bedroom	78	2.0
Five Bedroom	15	0.4
Six Bedroom	5	0.1
Total Units	3,820	99.9
Total Family Units	1,030	27.0
Total RGI Units	1,627	42.6

Notes: See Table 21 for "Unit" definition.

"Family Units" have two or more bedrooms, are within three storeys of grade, and provide direct, non-mechanical access to grade.

* Under management as of December 31, 1982

Source: City of Toronto Housing Department, 1983

TABLE 23
Number of Cityhome Projects and Units by Ward

Ward	Acquisition			New Construction		Total Units
	Units in Houses	Number of Projects	Units in Projects	Number of Projects	Units in Projects	
1	17	-	-	1	100	117
2	8	2	66	1	144	218
3	19	-	-	1	261	280
4	4	-	-	-	-	4
5	3	-	-	3	205	208
6	-	7	189	6	852	1,041
7	31	4	417	6	914	1,362
8	112	1	3	2	59	174
9	66	4	81	1	50	197
10	1	-	-	1	169	170
11	-	1	49	-	-	49
Total	261	19	805	22	2,754	3,820

Notes: "Units" are assumed equivalent to households, so that rooms count as units. Projects with two phases or with both acquisition and new construction are split and recorded as two projects.

Source: City of Toronto Housing Department, 1983

TABLE 24
Cityhome: Condensed Balance Sheet (1981)

Assets			Liabilities		
	1981 $	Percent Increase Over 1980		1981 $	Percent Increase Over 1980
Current			Current		
- Cash and accounts receivable	9,110,000	85.2	- Accounts payable and tenants' deposits	8,537,000	54.3
Fixed					
- Income producing properties less depreciation	101,943,000	14.4	Mortgage loans repayable, less repaid	115,049,000	15.0
- Properties under construction	29,862,000	23.1	City loan due in 1984	357,000	
	131,805,000	16.3	Unexpended CSCP grants*	3,907,000	21.9
- Less government grants used to reduce mortgages	11,914,000	12.7	Replacement reserves	1,086,000	76.6
			City equity (2 shares @ $20,000 each) and accumulated surplus**	65,000	
- Net fixed assets	119,891,000	16.6			
Total Assets	129,001,000	19.7	Total Liabilities and Equity	129,001,000	19.7

Note: All amounts are rounded to nearest $1,000

*CSCP: Community Service Contribution Program - one time grants under a federal renewal program tied to a few projects.

**Accumulated Surplus established as follows:

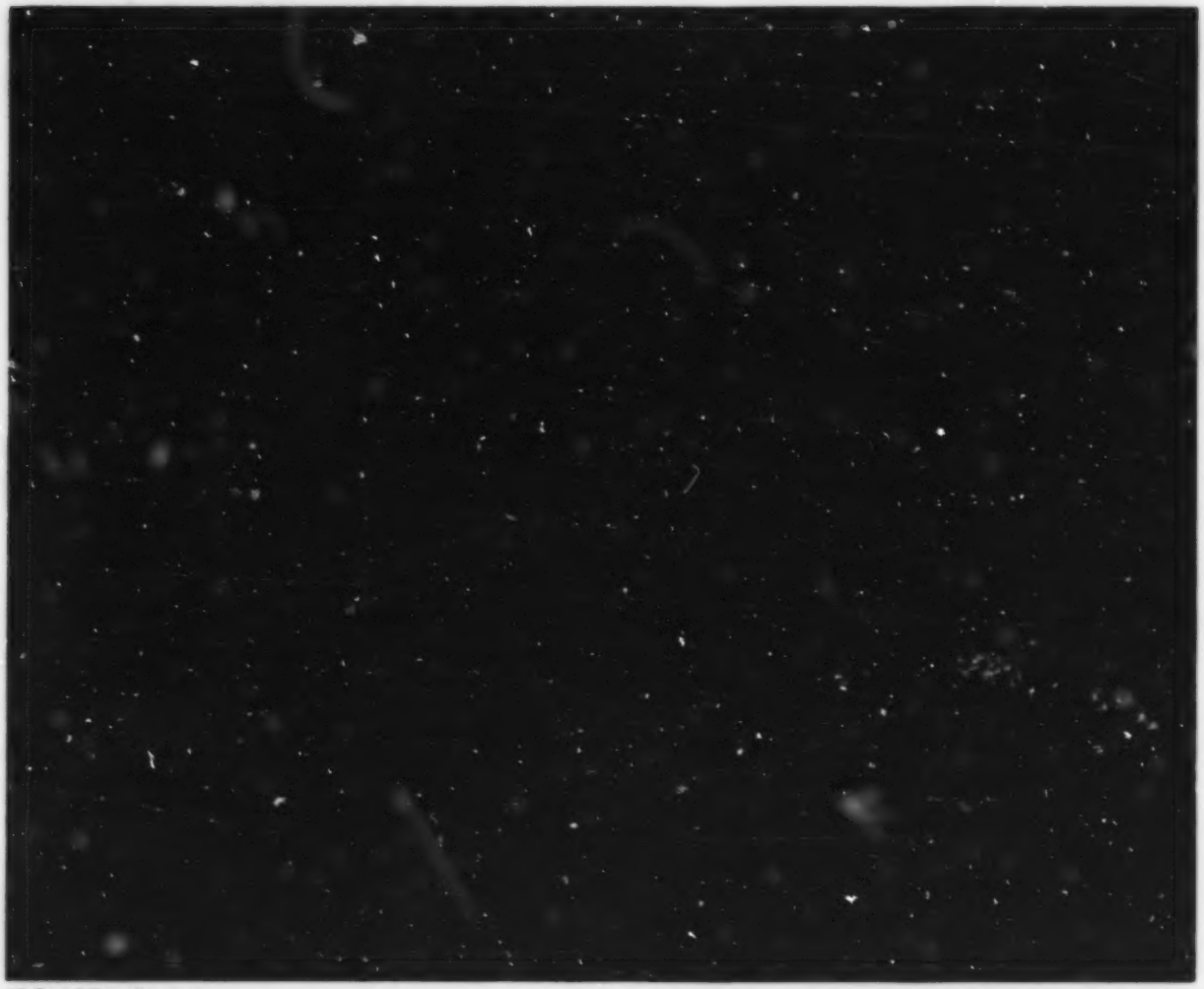
Deficit brought forward	- $261,000
Surplus for 1981	- $286,000
Surplus carried forward	- $ 25,000

Source: City of Toronto Housing Department, 1983

TABLE 25
Cityhome: Condensed Statement of Revenue and Expenditure (1981)

	1981 $	Percent Increase Over 1980	Percent of Total Revenue
Revenue			
Rent	9,219,000	41.8	60
Rent supplements	3,695,000	27.4	24
Other*	2,495,000	40.6	16
	15,409,000	37.9	100
Expenditures			
Utilities	1,911,000	31.6	12
Mortgage Interest	7,282,000	27.8	47
Realty taxes	2,465,000	52.0	16
Other	3,688,000	42.3	24
	15,346,000	35.1	99
Operating Surplus	63,000		
Extraordinary Item - gain on sale of houses	223,000		
Total Surplus	286,000		

Notes: All amounts are rounded to nearest $1,000.
*"Other" includes subsidies and interest on rent deposits.



15 Scadding Avenue

Conclusion

This year marks the tenth anniversary of the introduction of the present non-profit housing programs in Canada. These programs were intended to replace public housing activities which had fallen into disfavour as a solution to low income housing needs. Income integration became an explicit objective of social housing. Since 1973, there have been changes made in the programs that threaten their objective of serving low and moderate income households. The prospect that the assisted housing programs, upon which the City relies to meet its own housing policy objectives, may not perform as they should compounds the problems arising from inadequate support for the programs in the first place.

It is discouraging to realize that the 1983 approval targets proposed in Chapter 1, even if achieved in full, will put the City further behind in meeting its longer term goals as expressed in the Official Plan. Even more depressing is the likelihood that the targets, which represent realistic expectations of approvals from Council, will not be met because of funding cutbacks that will delay or terminate plans for specific projects. As Chapters 1 and 2 describe, these cutbacks come just as the assisted sector was showing signs of real vitality. At the same time, the news from the private sector was gloomy. Torontonians are expe-riencing rapid price increases in their existing housing stock, and there is no relief in sight as a result of new construction.

Under better circumstances, Cityhome's recent achievements in project planning and development would augur well for the affordable housing needs in this area, especially in the heart of Toronto. There is no question that Cityhome has done a good job helping thousands of low and moderate income households. The large number of applicants waiting for a Cityhome vacancy are clearly among the most disadvantaged groups around and, to the extent that Cityhome is able to help these people, its efforts will be rewarded. But Cityhome's ability to respond to even these basic needs, as well as the Corporation's growing success in securing prime development opportunities, have been seriously undermined by reduced resource allocations. Moreover, a number of program restrictions hinder the City in meeting its stated objective of ensuring that *all* its citizens are decently housed.

- First, the municipal non-profit program completely excludes lower income, non-senior singles and couples - a group which, as documented in 1982 by the Interdepartmental Task Force on Affordable Housing, is a sizeable and especially hard-pressed component of the City's population.
- Second, the program is mainly geard to permanent forms of housing involving self-contained units, making it difficult or impossible to develop hostels or rooming houses without incurring capital or operating expenses which have to be subsidized from other sources. Thus, more modest types of housing, appropriate for many situations, are discouraged.
- Third, there is no serious consideration of housing and support services for the disabled or for other groups, such as discharged psychiatric patients, battered women, single parents and so on, for whom the provision of necessary support in conjunction with their accommodation could offer a cost-efficient response to many special needs. Consequently, people face choices between unsatisfactory living arrangements and inadequate personal support, making it hard for them to cope, and discouraging the social and the housing agencies groping toward each other through a maze of programs and regulations.
- Last, but not least, concerns are growing that, aside from failing to serve whole segments of society, the non-profit programs are not fully addressing the needs of moderate income families and individuals, as they were intended to do and as municipalities have expected them to do. In some cases, the procedures for setting rents preclude moderate income households, creating a disturbing gap between low income households receiving direct rental assistance and higher income people capable of paying steep market rents. Rents forecast for downtown Cityhome projects still in planning are so high that they prohibit any significant provision for families, who lack the required disposable income. Although larger units could be rented to non-family households, there is really no point in incorporating many units with more than two bedrooms. This single issue of rent-setting policy is thus forcing changes in Cityhome design/unit mix objectives and in its tenant population, in turn prompting greater and more burdensome intervention in tenant selection procedures.

The bottom line to all the above points is that the City of Toronto is assuming greater obligations and risks to help Cityhome and the Housing Department strive to fulfill their mandate, working within and outside of the non-profit program. Council can be proud of its record in this regard: it has provided leadership for other governments by taking direct responsibility for tackling difficult shelter problems not adequately addressed by existing programs.

Previous Annual Reports of the
City of Toronto Housing Department

Housing Department Progress Report 1974

Housing Policy Review 1976

New Directions in Housing 1977

On Target - Program Review 1977
and Planning Strategy to 1980

No Vacancy - Will the New Federal
Housing Programs Work in Toronto? (1978)

Vanishing Options - The Impending Rental
Crisis in Toronto (1979)

Building Challenges - Confronting Toronto's
Rental Crisis (1980/81)

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